

INVEST IN CLIMATE TECHNOLOGY WATURU HOLDING A/S



FINANCIAL ADVISER AND CERTIFIED ADVISER



SELLING AGENT



Nasdaq First North is an MTF, as defined in EU legislation (as implemented in national law), operated by an exchange within the Nasdaq group. Issuers on Nasdaq First North are not subject to all the same rules as issuers on a regulated main market, as defined in EU legislation (as implemented in national law). Instead they are subject to a less extensive set of rules and regulations adjusted to small growth companies. The risk in investing in an issuer on Nasdaq First North may therefore be higher than investing in an issuer on the main market. All issuers with shares admitted to trading on Nasdaq First North have a Certified Adviser who monitors that the rules are followed. The Exchange approves the application for admission to trading.

CERTAIN INFORMATION REGARDING THE COMPANY DESCRIPTION

Applicable legislation

This Company Description has been prepared in accordance with applicable rules and requirements as set out in the Nasdaq First North Rulebook, dated January 1, 2019. The Company is offering a minimum of 2,327,273 and a maximum of 2,581,818 nominal DKK 0.05 Offer Shares, corresponding to subscription amounts of DKK 16 million to DKK 17.75 million. As the Offering amounts to less than EUR 8 million, there is no requirement to prepare a prospectus in accordance with the Capital Markets Act.

Language

The Company Description has been prepared in the English language only.

Lawful distribution

The distribution of this Company Description is only intended to be for the use by investors in Denmark.

The distribution of this Company Description is, in certain jurisdictions, restricted by law, and this Company Description may not be used for the purpose of, or in connection with, any offer or solicitation to anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. This Company Description does not constitute an offer of or an invitation to subscribe for Offer Shares in any jurisdiction in which such offer or invitation would be unlawful. Persons into whose possession this Company Description comes shall inform themselves of and observe all such restrictions. The Company does not accept any legal responsibility for any violation by any person, of any such restrictions.

Forward looking statements

Certain statements in this Company Description are based on the beliefs of the Board of Directors and Management, as well as assumptions made by and information currently available to the Board of Directors

and Management, and such statements may constitute forward-looking statements. These forward-looking statements (other than statements of historical fact) regarding the future results of operations, financial condition, cash flows and business strategy, and the plans and objectives of the Board of Directors and the Management for future operations can generally be identified by terminology such as "targets", "believes", "expects", "aims", "intends", "plans", "seeks", "will", "may", "anticipates", "would", "could", "continues" or similar expressions or the negatives thereof.

Such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause the actual results, performance or achievements, or industry results, to differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements.

The Company does not intend, and does not assume, any obligation to update any forward-looking statements contained herein, except as may be required by law or the rules of Nasdaq First North. All subsequent written and oral forward-looking statements attributable to the Company or persons acting on its behalf are expressly qualified in their entirety by the cautionary statements referred to above and contained in this Company Description.

Market and industry information

This Company Description contains historical market data and industry forecasts, including information related to the sizes of the markets in which the Company participates or parts thereof, diseases targeted by the Company's product candidates and the number of people affected by such diseases. This information has been obtained from a variety of sources, providing business intelligence products and services to the pharmaceutical industry, pharmaceutical specialist literature and articles, company websites and other publicly available information as

well as the Company's knowledge of the markets. The professional data suppliers state that the historical information they provide has been obtained from sources, and through methods, believed to be reliable, but that they do not guarantee the accuracy and completeness of this information. Similarly, industry forecasts and market research, while believed to be reliable, have not been independently verified by the Company and the Company does not represent that this historical information is accurate. Industry forecasts are, by their nature, subject to significant uncertainty. There can be no assurance that any of the forecasts will materialize.

The Company confirms that information sourced from third parties has been accurately reproduced and that to the best of the Company's knowledge and belief, and so far as can be ascertained from the information published by such third party, no facts have been omitted which would render the information provided inaccurate or misleading.

Market statistics are inherently subject to uncertainty and are not necessarily reflective of actual market conditions. Such statistics are based on market research which itself is based on sampling and subjective judgments by both the researchers and the respondents, including judgments about what types of products and transaction should be included in the relevant market/market segment definitions.

Enforcement of civil liabilities and service process

The Company is organised under the laws of Denmark, with domicile in the municipality of Vejle.

The members of the Board of Directors and the Management named herein are residents of Denmark. All or a substantial portion of the Company's and such persons' assets are located in Denmark.

The Company has been advised by its Danish legal advisers, Bird & Bird.



Waturu Holding A/S

(a public company incorporated with limited liability under the laws of the Kingdom of Denmark, registered number CVR 37790486)

Initial public offering of minimum of 2,327,273 and a maximum of 2,581,818 Offer Shares of nominal DKK 0.05 without pre-emptive rights for existing shareholders ("Existing Shareholders") in Waturu Holding A/S (the "Company")

This Company Description (the "Company Description") has been prepared in connection with an application for admission to trading of the Company's existing shares ("Existing Shares") and an initial public offering (the "Offering") and issuance and admission to trading of a minimum of 2,327,273 and a maximum of 2,581,818 new shares of nominal DKK 0.05 each (the "Offer Shares" and together with the Existing Shares referred to as "Shares") in Waturu Holding A/S (the "Company"), corresponding to subscription amounts of DKK 16 million to DKK 17.75 million, and net proceeds of DKK 14.3 million to DKK 15.9 million. The capital increase related to the issuance of the Offer Shares is carried out without preemptive subscription rights for Existing Shareholders.

As of the date of this Company Description (the "Company Description Date"), but prior to the Offering the registered share capital of the Company is nominal DKK 400,000 and consists of 8,000,000 Shares of nominal DKK 0.05 each, all of which are fully paid.

The Company has obtained subscription undertakings for a total of DKK 11,923,010 in share value from cornerstone investors ("Cornerstone Investors"). The subscription undertakings are irrevocable but will lapse and become null and void if the Offering is not completed before 31 May, 2019. Also, two existing shareholders (Øster Land Invest ApS and The Marschall Plan Holding ApS) have signed agreements for conversion of outstanding debt for a total of DKK 822,154 in share value. The conversion of debt, which was raised in 2018 and Q1 2019, concerns funds already paid to the Company and thus will not form a part of the cash received from the Offering (i.e. cash proceeds). The conversion of outstanding debt to Shares in Waturu Holding A/S will be exercised at the same time as for all investors in the Offering, and at the same subscription price. The Shares will be part of the Offering. The subscription undertakings and conversion of outstanding debt amounts to a total of DKK 12,745,164 in share value.

Subscription undertakings and conversion of outstanding debt

Investor	Relationship to the Company	New capital (DKK) in share value	Number of shares	Conversion of debt (DKK)****	Number of shares
HEBO Danmark Holding ApS (Bonnik Nicolajsen Hansen)*	-	8,749,998.13	1,272,727	-	-
Belair Medical ApS (Peter Bjerring)**	Board member, Danish Medtech ApS	1,000,003.13	145,455	-	-
Øster Land Invest ApS (Bjørn Andersen)	Former Board member	-	-	550,000.00	80,000
Nikolas N. Koukountzos*	-	373,003.13	54,255	-	-
Peter Marschall Design- og arkitektfirma ApS***	-	299,997.50	43,636	-	-
The Marschall Plan Holding ApS (Thomas Marschall)	Chairman	-	-	272,153.75	39,586
TM Venture ApS (Toke Reedtz)	CEO	250,002.50	36,364	-	-
Hans Rysgaard*	-	250,002.50	36,364	-	-
Pascalito Holding ApS (Anders Skov)	Board member	250,002.50	36,364	-	-
Barbier Holding ApS (Jens P. Rysgaard)*	-	200,000.63	29,091	-	-
KH Teknik A/S (Knud Henning Olesen)*	-	200,000.63	29,091	-	-
Egemose Holding ApS (Henrik Nielsen)*	-	200,000.63	29,091	-	-
Jes Nordentoft	Board member	99,996.88	14,545	-	-
Vin & Verden ApS (Bjørn Kaare Jensen)	Board member	50,001.88	7,273	-	-
Sum		11,923,010.00	1,734,256	822,153.75	119,586

* There is no relationship between the cornerstone investor and the Company, current owners, Management or Board of Directors.

** Belair Medical ApS (Peter Bjerring) is 10% owner of Danish Medtech ApS, Waturu Holding A/S is the majority owner of Danish Medtech ApS with 90%.

*** Peter Marschall Design- og arkitektfirma ApS, family related to The Marschall Plan Holding ApS, Thomas Marschall, Chairman Waturu Holding A/S.

**** Detailed information on "Conversion of debt" see page 67, section "Convertible loan agreement with The Marschall Plan Holding ApS and Øster Land Invest ApS".

The offer price (the “**Offer Price**”) is DKK 6.875 per nominal DKK 0.05 Offer Share. Due to Nasdaq Nordic Market Model 2019:01, tick sizes for First North Denmark, the Company’s shares will not be allowed to trade with three decimals. Hence, investors who want to execute transactions on Nasdaq First North Denmark at the Offer Price of DKK 6.875 will not be able to trade at this price.

The offer period (the “**Offer Period**”) will run from 29 April - 10 May, 2019, 4:00 pm. CET. No early close of the Offering will be admitted.

Based on the Offer Price, the market value (the “**Market Value**”) of the Company before the Offering amounts to DKK 55 million. After completion of the Offering, and subscription of the minimum Offering, the Market Value of the Company will amount to DKK 71 million and at subscription of the maximum Offering, the Market Value of the Company will be DKK 72.75 million.

Investing in the Offer Shares involves significant risks. See section “**Risk Factors**”.

Neither the Existing Shares nor the Offer Shares have been publicly traded before the Offering. The Company has applied for admission to trading for all Shares on Nasdaq First North Denmark under the symbol “**WATURU**”. First day of trading is expected to be 20 May, 2019, under the condition that sufficient number of shareholders and free float requirements for the Company's shares are met before the first day of trading. The Offer Shares will have the same rights as the Existing Shares and will rank *pari passu* in every respect.

It is expected that delivery against cash payment for the Offer Shares will take place on 15 May, 2019 (the “**Closing Date**”). The Offer Shares will be available for delivery by allocation to accounts through the book-entry facilities of VP Securities and Euroclear. The Offer Shares have been accepted for clearance through Euroclear Bank S.A./N.V. as operator of the Euroclear System (“**Euroclear**”).

Issuance and admission to trading of the Offer Shares on Nasdaq First North Denmark is expected to take place on 20 May, 2019 in the ISIN code of the Existing Shares. The Offer Shares will, however, not be issued or admitted to trading on Nasdaq First North Denmark until after final registration of the capital increase with the Danish Business Authority.

This Company Description is not an offer or a recommendation to subscribe for the Offer Shares. Potential investors shall themselves evaluate whether to invest in the Offer Shares and potential investors are encouraged by the Company and the Certified Adviser to consider whether the information contained in this Company Description is relevant, and any investment should be based on the investigations that the potential investor finds necessary.

The Company has not granted any person authority to disclose information regarding the Company, other what is contained in this Company Description. Such information cannot be considered as authoritative or approved by the Company or the Certified Adviser.

This Company Description has not been approved, registered with, applied to, recommended or rejected by any foreign supervisory or securities authority and none of these authorities have made any declaration or made any statements about this Company Description or the Offering, including whether the Company Description or the Offering is correct or complete. This Company Description cannot and shall not be deemed as a recommendation from the Company to subscribe or acquire the Offer Shares.

The date of this Company Description is 26 April, 2019.

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The Offering in brief

The Offering

Offering to the public in Denmark to acquire shares in Watu-ru and admission of the Company's shares to be traded on Nasdaq First North Denmark.

Number of shares offered

The Offering comprises a minimum of 2,327,273 and a maximum of 2,581,818 Offer Shares in the Company.

Offer Price

The Offer Price in the Offering is fixed at DKK 6.875 per Offer Share.

Time table

Offer Period	29 April - 10 May, 2019
Settlement date	15 May, 2019
Expected First day of trading on Nasdaq First North Denmark	20 May, 2019

Other information

Short name on Nasdaq First North Denmark	WATURU
Temporary ISIN*	DK0061136132
Permanent ISIN*	DK0061134780

Financial calendar

Annual General Meeting**	14 March 2019
Interim report Jan. - Jun. 2019 (H1)	2 August 2019
Annual report 2019	26 March 2020
Annual General Meeting	23 April 2020

* Subscriptions under the Offering are made in the Temporary ISIN DK0061136132, which will be merged into the Permanent ISIN DK0061134780 upon completion of the Offering.

** Annual General Meeting 2019 was held on 14 March. Please go to Waturu.com for Minutes of Annual General Meeting

Background and reasons

BACKGROUND

Waturu is a Danish Green Tech company that has developed an innovative water technology with the overall environmental purpose of saving water, energy and reducing CO₂. Waturu's technology transfers power directly into water resulting in the most effective electric tankless water heater which results in up to 75% savings on water and up to 94% savings on energy compared to district heating of hot water with circulation in a building. The energy and water savings translate to extensive CO₂ savings. The technology ensures:

- instant heating without standby heating loss,
- no waste of water,
- disinfection of the water,
- lower water flow resulting in lower energy consumption.

The technology, therefore, challenges the way in which we currently heat, disinfect and use water and has the potential to disrupt the water industry.

Water is a scarce resource and droughts affect millions of people every day. Climate changes as a result of CO₂ emissions are more and more visible with hurricanes, floodings, typhoons, wildfires, dying coral reefs due to higher water temperature and other weather phenomena. Actions are necessary within all industries if we are to combat the challenge facing us all.

The majority owner of Waturu Holding A/S set out on a mission in 2016 to produce the world's most sustainable and responsible technology for heating and disinfecting water. The idea for the technology occurred during a family vacation at the Danish west coast. In the holiday home it took a long time for the hot water to reach the tapping point, which meant that large amounts of cold water went to waste. It was not only the visible waste of water, but also the knowledge of the high energy consumption of the tank based water heater and the poor comfort which contributed to the development.

The technology, for which the Company has applied for patent protection*, has been transformed into a tankless water heater, a tank style water heater, a wastewater treatment unit and other units specifically targeting issues that are present in a water environment, eg. limescale, heating time and disinfection costs.

* When a patent application is filed the process starts and can run for several years before the Company has knowledge if the applications will lead to granted patent or not. The term patent pending is used from filing until a patent has been issued or denied. The date of the application is the date from which the Company has patent rights and can protect the technology through law. For more information, see p. 46 "Waturu Proprietary Rights". Waturu has been informed by the Danish Patent Authority that the first patent will be issued in May 2019. "Device for treating and heating water in a tank style water heater", PA201800031.

Hot Water

The core behind the technology is based on a direct transfer of energy to water and thereby eliminating the need for old heat element technology. The company has developed a unique performance system tackling limescale which has been an obstacle for centuries. During the initial years of development, much attention was devoted to this limescale issue, which is one of the main reasons why others have not yet been successful in developing the technology. Also, the heating industry is a conservative industry that has prioritized further development of existing heat element based technology, instead of new developments.

Waturu holds the key to the future of heating and disinfection of water. A market so huge and important that many companies within the industry are eager to meet with Waturu to discuss how to incorporate this new market-disrupting technology into their products. As heat elements are found in millions of consumer goods like water heaters, coffee machines, whirlpools, washing machines etc. the number of potential partners for Waturu is substantial.

Clean water

Clean water is vital to humanity. Currently, all developed countries clean their wastewater with old technology, including UV-light, before the water is led to the ocean, river or similar. The wastewater sector is willing to invest in new and improved technology.

Waturu has the ambition to initiate partnerships with the largest wastewater companies on all continents and thereby bring improved life and environmental benefits to the general population and wildlife.

MedTech

During 2018, extensive testing on a special MedTech unit has shown that bacteria-free, temperate and hydrogenated water has positive effects on treating skin inflammation. This has resulted in setting up the subsidiary Danish MedTech on July 3rd, 2018, together with cornerstone investor and professor MD Peter Bjerring, a specialist in skin diseases. It is the Company's objective to spin out the subsidiary within the next couple of years, once further clinical testing has been completed and a professional management with extensive knowledge from the healthcare sector has been recruited to the company. The prospects for a spin-out of the Medtech company are positive but will need approval from the Board of Directors and could be cancelled or postponed. For more information, see p. 44.

REASON TO THE OFFERING

Sales efforts has resulted in that the global distributor within plumbing, Saint-Gobain, has signed an exclusive distribution agreement with Waturu, which translates into substantial volumes on short and long term. The agreement was signed December 12th 2018. Furthermore, Waturu has signed a Letter of Intent ("LOI") with the Scandinavian tap manufacturer FM Mattsson Mora Group, listed on Nasdaq, Stockholm. The Company expects this LOI to develop into a distributor agreement to use the Waturu technology inside the groups products. The LOI was signed on January 17, 2019.

Due to the increased demand, Waturu has reached a point where additional capital for financing production costs, including the establishment of production facilities and material purchases, as well as capital for the coming 12 months, is needed.

USE OF PROCEEDS

- 25-30% will be used for an automated production based on advanced robotics technology in Denmark
- 20-30% will be used for building stock inventory
- 20-25% will be used for organizational costs, i.e. sales and marketing, research & development, and management
- 5-15% will be used for investment in the 90% owned subsidiary Danish MedTech

We declare that, to the best of our knowledge, the information provided in the Company Description is accurate and that, to the best of our knowledge, the Company Description is not subject to any omissions that may serve to distort the picture the Company Description is to provide, and that all relevant information in the minutes of Board meetings, auditors' records and other internal documents is included in the Company Description.

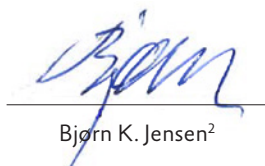
Vejle, 26 April, 2019

Waturu Holding A/S

Board of Directors



Thomas Marschall (Chairman)¹



Bjørn K. Jensen²



Anders Skov³



Jes Nordentoft⁴



Toke Reedtz⁵

1 Business Angel Investor, +15 years as CEO for venture backed and Nasdaq listed companies

2 M.Sc Water Microbiology, VP European Water Association, and Board Member in Danish Water Forum

3 Attorney-at-law, Master of Law (Aarhus University 2006) and IPR Specialist

4 Business accelerator specialist with extensive experience in sales and business development

5 CEO Waturu Holding A/S

Risk factors

An investment in shares is always associated with risk. A number of factors outside the Company's control, alongside a number of factors which affects the Company can influence through its actions, may have a negative impact on the Company's operations, results of operations and financial position, which may imply a reduction in the value of the Company's shares resulting in that shareholders lose all or parts of their invested capital. Accordingly, when judging the Company's future progress, apart from considering positive progress, it is also important to consider the risks of the Company's operating activities.

It is not possible to describe all the risk factors relevant to the Company in this section. Hence, an overall evaluation must also include other information in this Company Description, alongside a general evaluation of external factors. The risks and uncertainty factors considered to be potentially significant to the Company's future performance are outlined below. The risks are not indicated in order of importance and are not intended to be comprehensive or complete. Additional risks and uncertainty factors of which the Company is currently unaware of may also develop into significant factors influencing the Company's operations and future performance.

OPERATIONAL AND SECTOR-RELATED RISKS

Waturu is a growth company with limited historical revenues

Waturu was founded in June 2016 and finds itself in an initial commercialization phase. Consequently, the Company is dependent on successful commercialization efforts to a greater extent than an established company with established sales. If the commercialization of the Company's products is delayed, becomes more expensive or fails, this could have a significant adverse impact on the Company's operations.

Sales

Waturu's operations are based on local sales but substantial proportion of the Company's growth plan rely on future sales being generated outside Denmark. The current customer and exclusive distributor of the Waturu hot water heater, Saint Gobain, is a global French based company. The sales strategy for Waturu Holding A/S is to enter into international distributor agreements that can secure the Company's growth plan through utilizing the distributors international or global customer network. In each business area there are several international distributors which could be potential partners. The Company's sales will be affected if agreements with distributors are terminated or postponed. International expansion brings uncertainty and imposes considerable demands on organization and resources. The expenses for establishing proprietary local sales companies, if deemed to be the appropriate strategy, are considerable and will have an adverse impact on the Company's earnings.

Patents, other intellectual property rights and their protection

Waturu is dependent on its capacity to file and maintain patents to protect intellectual property and specific knowledge. If deemed necessary for the Company's future development Waturu will file patent applications and register brands and trademarks in selected markets covering the technology that the Company develops. There is a risk that current or future patent applications may not result in patents being approved and issued.

There is always a risk that Waturu's competitors, whether intentionally or not, will infringe the Company's patents. If deemed necessary, the Company will defend its patents and other intangible rights by means of legal proceedings. However, there is a risk that Waturu may be unable to fully assert its rights in a court case. This could have a considerable negative impact on the Company's business, earnings, and financial position. Similar, there is a risk that the Company (or any group company), whether intentionally or not, will or has infringed third parties' patents and/or intellectual property. The Company has, however, not identified any risks or breaches of third parties' patents and/or intellectual property. Insofar the Company has or had infringed third parties' patents and/or intellectual property; this may have a material adverse effect on the Company's business, earnings, and financial position.

Furthermore, the sector in which Waturu operates is characterized by slow technological development. There is always a risk that new technologies and products will be developed

that circumvent or replace the Company's present and future patents or other intellectual property rights.

The Company is dependent on ensuring that those trade secrets which are not covered by patents or other intellectual property rights are also protected, including among other things information regarding inventions for which patent applications have not yet been filed or technical advances for which patents cannot be obtained. The employees of the Company and its cooperating partners are subject to customary confidentiality undertakings but there is always a risk that someone who has access to information of great value to the Company disseminates or uses the information in a way which renders it impossible for the Company to obtain a patent, or otherwise damages the Company from a competition perspective, which may have a negative effect on the Company's business, earnings, and financial position.

As of the date of this Company Description the Company has no issued patents but has been informed by the Danish patent authorities that the first patent will be granted in May 2019, pending certain minor updates to the application. The patent title is "Device for treating and heating water in a tank style waterheater". The Company has filed for trademark protection of the the following brand names: Waturu as a text trademark, in Denmark with the ability to cover world wide relying on the Madrid protocol.

Waturu is exposed to risk in relation to litigation, investigations and other proceedings

Disputes, claims, investigations and proceedings might lead to Waturu having to pay damages or cease certain practices. Waturu might become involved in disputes within the framework of its normal business activity and risks being subject to claims in suits concerning patents and licenses or other agreements. Also, directors, employees or affiliates, might become subject to criminal investigations and proceedings. Such disputes, claims, investigations and proceedings can be time consuming, disrupt normal operations, involve large claim amounts and result in considerable costs. Moreover, it can often be difficult to predict the outcome of complex disputes, claims, investigations and proceedings. As a result, disputes, claims, investigations and proceedings could have a material adverse effect on the Company's business, financial condition and results of operations.

Dependency on subcontractors and distributors

Waturu is a research and development-intensive company with a limited in-house organization and is therefore highly depen-

dent on collaborations with external partners to conduct its operations. Waturu is currently dependent on collaboration with third parties for the manufacture of the Company's products. If one or more of the Company's suppliers were to discontinue its cooperation with Waturu, or if production disruptions, such as delayed deliveries, delays in automation of the production process or issues of quality, were to arise, this could cause follow-on problems vis-à-vis Waturu's undertakings towards its customers. This could damage Waturu's reputation, causing losses of customers, impaired gross margins and decreased revenues. Going forward, under the condition of a successful issuing, the Company will invest in its own production facility, which within a couple of years, will be fully controlled by the Company, in its own facilities. Initially it will be as a semi-outsourced solution with the production being setup in the facilities of Ranlev Industri Automation and thus the above dependency towards third party regarding manufacturing.

Having distribution agreements in place, as Waturu does for certain markets, for the sale of the Company's products also entails a risk that the distributor does not fulfil its obligations and that the agreement is terminated. Termination of an agreement can lead to an unexpected decline in sales and thus have a negative impact on the Company's business, earnings, and financial position. There is also a risk that the Company's products may not gain the necessary focus among the selected distributors to achieve sufficient future sales growth.

As of the date of this Company Description the Company has received a production agreement offer from Ranlev Industri Automation, to setup an automated production facility that will produce, test and distribute the Waturu units. Ranlev Industri Automation has extensive knowledge and experience in automated production and has manufactured prototypes and pre-production prototypes for Waturu. See p.34 "Production" for more information. Furthermore, Waturu has signed an agreement with Converdan A/S for the development and production of printboard and software controls for the Waturu units. For more information on agreements with third parties, see p. 66 "Material Agreements".

Delayed launch

Waturu continuously works to develop its product offering further and to introduce it to new markets. A possible delay in development and marketing activities or regulatory approvals could also cause a delay in the launch of the Company's current and future products. Consequently, there is a risk that such delays will arise, which could have negative consequences for Waturu's future business, earnings, and financial position.

Permits and legislation

Waturu will introduce its technology to the MedTech industry, through its subsidiary Danish MedTech. Considering that this is a potential product for the healthcare industry it will be subject to constant review by authorities, and there is a risk that required permits may not be received. There is also a risk that received permits may be revoked or limited. Changes to legislation, insurance systems or permit rules, problems discovered with a product or at a manufacturer can thus negatively impact Waturu's business, earnings, and financial position.

New methods

Considerable resources are currently being assigned to finding new methods to heat and disinfect water. Although research in Waturu's area of application has been in progress for several years, it is possible that new methods could appear that might compete with the Company's technology. This would adversely affect Waturu's business, earnings, and financial position.

Dependency on key individuals

Waturu is to a large extent dependent on a few key individuals considered to be the CEO and Co-founder Toke Reedtz, who is also the inventor of the technology, and the CFO Michael Nørgaard, who has been an important factor in closing the Company's sales agreement, and securing funding up to the initialization of the Offering, both are part of the executive management. The possible loss of any of these individuals could lead to the development or commercialization of the Company's products being delayed or diminished. The Company's capacity to retain and recruit qualified employees is important in safeguarding the level of competence within Waturu. The Company has entered into employment agreements with minimum 6 month termination and will offer bonuses for key individuals on what is considered to be market terms. Nonetheless, there is a risk that the Company will not be able to retain these key individuals and the loss of any of them could have a negative impact on the Company's business, earnings, and financial position.

Competition

There are competitors within the Company's area of operations for the heating and disinfection of water, and there is a risk that new companies are set up with greater capital and skills. Increased competition could contribute to lower prices and, consequently, a weaker margin for Waturu. This could adversely affect Waturu's business, earnings, and financial position.

As of the date of this Company Description competitors within the heating business are companies like Bosch, Ariston Thermo, Clage, Nibe etc. These companies are all global companies with sales of several billion euros. Within disinfection of waste water competition comes from companies such as Suez Environment and Veolia, also companies with sales of several billion euros. Within both industries, Waturu will aim at entering into non disclosure agreements with competitors in order to create partnerships, to utilize the Waturu technology and to gain sales volume internationally.

Product liability and insurance coverage

Waturu's operations involve the marketing and sales of products that are CE approved and certified (CE Marking on a product indicates to governmental officials that the product may be legally placed on the market in their country) that heat and treat liquids, which means that Waturu risks having to remedy, compensate, recall or buy back products that fail to work as intended. There is a risk that the Company, as the legal manufacturer, could be held liable if a product was to fail due to an unforeseen or uncontrollable error, that could cause personal injury through burn wounds or damage to property due to leakages of water. To counteract these risks, Waturu holds product liability insurance that, in the Company's view, provides adequate insurance against current product liability risks. The Company evaluates, on an ongoing basis, whether it has sufficient product liability insurance policies. Despite this, there is a risk that the Company's current or future insurance cover may not be sufficient for potential product liability claims that may arise. Consequently, such claims may impact Waturu's business, earnings, and financial position negatively.

It could also prove to be the case that the Company has otherwise lacked sufficiently comprehensive insurance and may not be fully insured against all risks, which could have a negative impact on Waturu's business, earnings, and financial position.

Political risks

The Company's research and development activities are initiated and coordinated from Denmark. Activities, however, also take place internationally through the use of collaboration partners, thus using local expertise to generate international sales of the Company's technology. Risks may arise as a result of changes in legislation, taxation, customs and excise duties, exchange rates and other conditions applying to companies active on the international markets. The Company may also be affected by factors relating to political and economic uncertainty in such countries. The aforementioned factors could have negative consequences for the Company's business, earnings, and financial position.

FINANCIAL RISKS

Currency risk

Currency risk may affect the Company's equity and earnings through fluctuations in exchange rates. Currency exposures occur in connection with payment flows in currencies other than the Company's functional currency, i.e. Danish kroner. Currently, the Company's currency exposure relates primarily to the euro. Exchange rate fluctuations in the currencies concerned could therefore have an impact on the Company's earnings capacity, earnings, and financial position.

Credit risks

When Waturu sells its products to customers, it incurs a risk of payment not being made. Although the Company has guidelines to ensure that sales are made to customers with a suitable credit history, the Company's credit risks may have a negative impact on the Company's business, earnings, and financial position.

Liquidity risks

Liquidity risk refers to the risk that Waturu, due to a shortage of funds, will be unable to meet its financial commitments or will be less able to conduct its business efficiently. Waturu's liquidity is affected by factors including payment terms on credit provided to customers and on credit received from suppliers. There is a risk that, due to events as yet unknown, the Company may experience a shortage of funds that, in turn, could have a negative impact on the Company's business, earnings, and financial position.

Cyclical factors

External factors such as supply and demand, cyclical upswings and downturns, inflation and interest rate fluctuations may have an impact on revenues and operating expenses. Due to Waturu's international business, expenses and future revenue may be adversely affected by such factors, and may consequently have a negative effect on the Company's operations and profitability.

Risks associated with future earnings capacity

Primarily due to the significant development and marketing costs initially required by its products, the Company has reported losses since its inception. Waturu's future growth and profitability, including its possibility to achieve the financial objectives described in the section "Company overview – Financial objective" is, inter alia, dependent on that the consumers can adapt to the Company's water technology. There is a risk that the Company's technology may not penetrate new markets to a sufficient extent for the Company to be able to achieve future profitability.

The Company is in the process of setting up its own production facility. The future earnings capacity is highly dependent on that the Company is able to produce its products with high margins. If the expected production cost is not met, this will have an adverse effect on future margins, and lead to the Company not meeting its financial objectives.

Risks associated with future capital needs

There is a risk that the Company will need additional financing in the future. Access to additional financing is affected by several factors including market terms, the general availability of credit, as well as Waturu's creditworthiness and credit capacity. Disruptions and uncertainty in the credit and capital markets can further limit access to additional capital. There is also a risk that the Company in the future may not have sufficient income or positive cash flow to maintain its operations. As of the date of this Company Description, Waturu has secured private capital through business angels and venture companies.

Tax risk

Waturu conducts business in several countries and, to the knowledge of the Board, the operations both in Denmark and abroad comply with current tax legislation. However, there is a risk that the Company's interpretation of such tax regulations is incorrect or that the legislation will be changed, possibly retroactively. The Company's previous or current tax situation may, therefore, change as a consequence of decisions by Danish or foreign tax authorities, and this may have a negative impact on the Company's business, earnings, and financial position.

The Company has accumulated tax losses from previous fiscal years. The Company's ability to use the deficits may be limited, in whole or in part, by changes in ownership entailing changes in the decisive control of Waturu. There is also a risk that the Danish Tax Agency may reassess previous years' tax returns with the result that the deficits are reduced. Such reassessment may be announced within six years of the end of the calendar year in which the tax year expired. The opportunities to use the deficits may also be affected by changes in legislation or legal practice.

The Company has not recognized any deferred tax assets on account of the deficits. It should be noted, however, that the Company could find itself in a tax-paying position earlier than expected if the possibility of using the deficits is limited.

RISKS RELATING TO THE OFFERING AND THE SHARES

Share price development

An investment in securities is always associated with risks and risk-taking. Due to share price fluctuations it is not certain that shareholders can get a positive return on their invested capital. Prior to the Offering, there is no public market for the Company's Shares. There is a risk that an active and liquid market will not develop or if such a development takes place, it will not last after the Offering is carried out. This can sometimes mean that the shares are not traded daily and that the difference between bid and ask prices can be high. In the case of 'liquidity stress', this can cause difficulties for the shareholders of Waturu to change their holdings. The price per Offer Share in the Offering is determined by the Board of Directors. This price does not necessarily reflect the price that investors in the market are willing to buy and sell the Offer Shares for after the Offering. An investment in Waturu's shares should be preceded by a careful analysis of the Company, its competitors and the business environment, general information about the industry, the general economic situation and other relevant information. The Company will not sign a market maker agreement, unless deemed necessary to comply with the rules of Nasdaq First North, which states a minimum of 300 qualified shareholders.

Marketplace

The Shares are to be admitted to trading on Nasdaq First North Denmark with an anticipated first day of trading on 20 May, 2019, under the condition that sufficient number of shareholders and free float requirements for the Company's shares are met before the first day of trading. Nasdaq First North is a multilateral trading facility, owned by Nasdaq. It does not have the same legal status as a regulated market. Companies on Nasdaq First North are regulated by a specific regulatory framework and do not have the same legal requirements for trading as on a regulated market. The Market Abuse

Regulation, MAR, applies, however, on both regulated markets as well as MTF platforms (Nasdaq First North). An investment in a company traded on Nasdaq First North is riskier than an investment in a publicly listed company at a regulated market and an investor could lose part or all of its investment.

Future dividend

Any future dividends, and the amount of such, are dependent on, among other things, the Company's future earnings, financial condition, working capital requirements and liquidity. Dividends are decided by the Annual General Meeting following a proposal from the Board of Directors. There is a risk that Waturu in the future will not distribute dividends. The Company has never distributed dividends as of the date of this Company Description.

Owners with significant influence

Before the Offering, the Company is owned by a limited number of shareholders (see p.64 "Ownership structure Waturu Holding A/S" for full list). Even after the Offering, these owners will hold significant shareholdings in the Company. Consequently, these owners, if they act in concert, can exercise a significant influence in matters that are subject to approval by the shareholders of the Company. These shareholders' interests can fully or partially differ from other shareholders' interests.

Existing shareholders selling may affect the price

The price of Waturu's Shares may drop if there is an extensive sale of Shares in the Company, especially sales made by the Company's directors, executives or major shareholders, or when a larger number of shares are sold. Sales of large amounts of Shares by these shareholders, or the perception that such sales could occur, could lead to a drop in price for the Share. The existing shareholders are committed to, with certain exceptions, and 12 months from the first day of trading, not to sell their Shares or otherwise enter into transactions with similar effect. Although the Lock Up obligations restricting the opportunity for shareholders who are subject

to such Lock Up to sell their Shares, Västra Hamnen Corporate Finance may decide to lift the restrictions during this period. Such consent may be granted if deemed reasonable and necessary due to specific matters, e.g. for tax reasons and is not to be unreasonably withheld or delayed by the Certified Adviser. After the applicable Lock Up period has expired, the shareholders affected by the Lock Up agreement will be permitted to sell their Shares in Waturu. Sales of large number of Waturu's Shares by these shareholders after the end of the Lock Up period, or the perception that such sales will occur, could result in a significant decrease in the price of the Shares. Shares subscribed for in the Offering will not be part of the Lock Up.

List of investors comprised by lock-up

Shareholder	Number of Shares
Greentech Investor ApS	4,902,480
Øster Land Invest ApS	936,580
TM Venture ApS	652,500
The Marschall Plan Holding ApS	652,500
Green Growth ApS	317,460
Vendiaros Holding ApS	269,240
Neuhauzen & Co SA	269,240
Sum	8,000,000

Unsecured subscription undertakings

The Company has obtained subscription undertakings for a total of DKK 11,923,010 in share value from Cornerstone Investors. The Cornerstone Investors will not receive any compensation for their respective undertakings, and the Cornerstone Investors' investments are made on the same terms and conditions as for other investors in the Offering. The Cornerstone Investors' undertakings are not secured through a bank guarantee, blocked funds or pledge of collateral or similar arrangement.

*"WE TURN OFF OUR CARS WHEN WE DON'T USE
THEM AND WE SHOULD DO THE SAME WITH OUR
HOT WATER INFRASTRUCTURE"*

- TOKE REEDTZ, CEO

Letter from the CEO

Dear investor

30-40 degrees Celsius higher temperature over the Arctic in February 2018 and extreme hurricanes due to higher water temperature, are killing people and damaging property worth billions of dollars.

We are standing on a burning planet, and we need to change direction and become more energy efficient to bring down CO₂, save our limited water and do as much as possible to reverse the negative effects on the climate.

This can be done through new technology, and that is where you find our company - Waturu. Waturu is not another app or system that can monitor data. We develop technology that can make a difference globally. We save energy and water with our decentralized tankless unit, and we can clean wastewater so that it can be reused again for irrigation.

Most hot water systems today heat water 24/7. This would be like never turning your car's engine off in case you needed to drive off in the middle of the night. It is unimaginable – but guess what? That is exactly how the general hot water systems work. Why? Because it is based on old technology.

Our vision is that we should no longer heat and circulate water in large buildings but instead heat the water at the tap. We bring brand new technology to the front which is based on electricity, and that can lower water flow by 75% and still deliver better comfort. Instantaneous hot water delivered with 99% energy efficiency, that is innovation that is good for the environment and you as an investor.

We need to ensure the shift towards electricity in our hot water infrastructure and to move away from oil and gas. This is the clever decision since electricity already can and will be produced locally ensuring a 100 % CO₂ neutral, hot water solution. The potential for new hot water technology globally is massive. Imagine all properties, large and small, including products with built-in heating technology like a dishwasher, washing machine, coffee machine and a long list of other specialized products which heat or clean water.


Waturu started out with a strong focus on commercial properties and OEM products. We want to build the next large Danish industrial company with local automated production. A company that can support the global need and demand for climate improving products. You can call it cleantech or sustainable technology, or all the other buzzwords, but for us it is



down to components that together deliver world class energy and water saving products that at the same time provides great comfort; Greener, cleaner, faster, cheaper.

Toke Reedt
CEO Waturu Holding A/S



A low-angle, upward-looking photograph of several modern office buildings. The buildings feature a mix of light-colored panels and dark window frames, creating a strong geometric pattern. The sky is a pale, clear blue. The perspective makes the buildings appear to converge towards the top of the frame.

*OFFICE BUILDINGS WITH THOUSANDS OF
TAPPING POINTS AND HUGE WATER AND
ENERGY WASTE CAN BECOME “GREEN”
WITH THE WATURU TECHNOLOGY*

Letter from the Chairman

All industries are currently facing or going through disruption caused by new technologies, new business models, new ways of thinking or a combination of these factors.

The water industry is a very well established and also very conservative industry where changes only happen slowly, which has left a lot of opportunities open for improvements and new technology.

Waturu is a water processing technology which will disrupt the market and offer technological renewal to many parts of the industry.

The promise of the technology is best documented by the market interest the company has received from some of the largest companies in the industry from the beginning.

Water and energy are both scarce resources which Waturu's technology is designed to optimize in many different use cases and water & heating related products. As such we expect to see a future where many leading product manufacturers have "Waturu Inside" as a guarantee for the best water treatment and economies available.

Waturu's water treatment technology also offers solutions to important problems beyond the water industry which the company is only just beginning to look into. We expect to be able to provide more details about these opportunities later in 2019.



We very much look forward to inviting new shareholders to join our journey towards the realization of the solution to water treatment problems which we are certain will benefit all parties involved.

Thomas Marschall
Chairman Waturu Holding A/S

*"WATURU'S SUSTAINABLE
TECHNOLOGY HAS GLOBAL
POTENTIAL WHICH I LOOK
FORWARD TO FACILITATE."*

- THOMAS MARSCHALL, CHAIRMAN



Terms and instructions

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

The Offer Period commences:	29 April, 2019
The Offer Period closes:	10 May, 2019 at 4:00 p.m. (CET)
Announcement of result of the Offering	13 May, 2019 before 12:00 a.m. (CET)
Completion of the Offering, including settlement of the Offer Shares and registration of new shares in the Danish Business Authority	15 May, 2019
First day of trading of the Shares on Nasdaq First North Denmark under the permanent ISIN conditional upon final completion	20 May, 2019
Merge of temporary ISIN with permanent ISIN in VP Securities A/S	21 May, 2019

The above timetable is subject to change. Any changes will be announced via Nasdaq First North Denmark. Until the publication by the Company of the result of the Offering, expected on 13 May, 2019, the admission of the Shares to trading on Nasdaq First North Denmark will remain conditional under the condition that sufficient number of shareholders and free float requirements for the Company's shares are met before the first day of trading.

TERMS OF THE OFFERING

The Offering consists of a public offering to retail and institutional investors in Denmark.

The Company is offering a minimum of 2,327,273 and a maximum of 2,581,818 nominal DKK 0.05 Offer Shares, corresponding to subscription amounts of DKK 16 million to DKK 17.75 million.

Furthermore, the Company has received irrevocable subscription undertakings from the Cornerstone Investors to subscribe Offer Shares at the Offer Price for a total of DKK 12,745,164 in share value, corresponding to 72 percent of the maximum Offering, and 80 percent of the minimum Offering.

OFFER PERIOD

The Offer Period commences on 29 April, 2019 and closes 10 May, 2019 at 4:00 p.m. (CET). No early close of the Offering will be admitted.

Cornerstone Investors

Investor	Relationship to the Company	Number of Shares
HEBO Danmark Holding ApS*	-	1,272,727
Belair Medical ApS**	Board member, Danish Medtech ApS	145,455
Øster Land Invest ApS***	Former Board member	80,000
Nikolas N. Koukountzos*	-	54,255
Peter Marschall Design- og arkitektfirma ApS****	-	43,636
The Marschall Plan Holding ApS*	Chairman	39,586
TM Venture ApS (Toke Reedtz)	CEO	36,364
Hans Rysgaard*	-	36,364
Pascalito Holding ApS	Board member	36,364
Barbier Holding ApS*	-	29,091
KH Teknik A/S*	-	29,091
Egemose Holding ApS*	-	29,091
Jes Nordentoft	Board member	14,545
Vin & Verden ApS	Board member	7,273
Sum		1,853,842

* There is no relationship between the cornerstone investor and the Company, current owners, Management or Board of Directors.

** Belair Medical ApS (Peter Bjerring) is 10% owner of Danish Medtech ApS, Waturu Holding A/S is the majority owner of Danish Medtech ApS with 90%.

*** Conversion of outstanding debt. The conversion of debt, which was raised in 2018 and Q1 2019, concerns funds already paid to the Company and thus will not form a part of the cash received from the Offering (i.e. cash proceeds). The conversion of outstanding debt to Shares in Waturu Holding A/S will be exercised at the same time as for all investors in the Offering. The Shares will be part of the Offering.

**** Peter Marschall Design- og arkitektfirma ApS, family related to The Marschall Plan Holding ApS, Thomas Marschall, Chairman Waturu Holding A/S.

SUBMISSION OF APPLICATIONS TO SUBSCRIBE

Applications to subscribe for Offer Shares in the Offering should be made by submitting the application form enclosed in the Company Description to the investor's own account holding bank during the Offer Period. Applications are binding and cannot be altered or cancelled.

Applications should be made for a number of Offer Shares or for an aggregate amount rounded to the nearest Danish krone amount. Only one application will be accepted from each account in VP Securities. For orders, the application form must be submitted to the investor's own account holding bank in complete and executed form in due time to allow the investor's own account holding bank to process and forward the application to ensure that it is in the possession of Danske Bank, no later than 4:00 p.m. (CET) on 10 May, 2019.

REDUCTIONS OF SUBSCRIPTIONS

In the event that the total number of Offer Shares applied for in the Offering exceeds the number of Offer Shares, reductions will be made as follows:

- (i) With respect to applications for amounts of up to and including DKK 300,000, reductions will be made mathematically. However, no individual allocations will be made for less than 600 Offer Shares.
- (ii) With respect to applications for amounts of more than DKK 300,000, individual allocations will be made.

The Board of Directors will allocate the Offer Shares. 1,853,842 Offer Shares will be allocated to the Cornerstone Investors that have issued irrevocable subscription undertakings in the form of new capital and conversion of outstanding debt for a total of DKK 12.7 million. (see p.65 "Subscription undertakings and conversion of outstanding debt" for full list).

Following the expiration of the Offer Period, investors will receive a statement indicating the number of Offer Shares allocated, if any, unless otherwise agreed between the investor and the relevant account holding bank.

Orders may not result in an allocation of Offer Shares.

If the total applications in the Offering exceed the number of Offer Shares, a reduction will be made. In such event, Västra Hamnen Corporate Finance reserves the right to require documentation to verify that each application relates to a single account in VP Securities. Further, Västra Hamnen Corporate Finance reserves the right to require documentation to verify the authenticity of all orders, to demand the name of each investor, to pass on such information to the Company and to make individual allocations if several orders are determined to have originated from the same investor.

ADMISSION TO TRADING

The Board of Directors of Waturu has applied for admission to trading of the Company's shares on Nasdaq First North Denmark. First day of trading is planned at 20 May, 2019, under the condition that sufficient number of shareholders and free float requirements for the Company's shares are met before the first day of trading. The Shares will be traded under the ticker WATURU and with the ISIN DK0061134780.

MINIMUM AND/OR MAXIMUM APPLICATIONS

The minimum subscription is 600 Offer Shares. No maximum subscription applies to the Offering. However, the number of shares is limited to the number of Offer Shares in the Offering.

WITHDRAWAL OF THE OFFERING

Completion of the Offering is conditional upon the Offering not being withdrawn. The Offering may be withdrawn by the Company at any time before the announcement of the result of the Offering takes place. The Offering may also be withdrawn if Nasdaq First North Denmark is not satisfied that there will be sufficient number of shareholders, the free float requirements are not met or if, for other reasons, the Shares cannot be admitted for trading on Nasdaq First North Denmark.

Any withdrawal of the Offering will be announced immediately through Nasdaq First North Denmark.

INVESTORS WITHDRAWAL RIGHTS

If significant events arise before the expiry of the Offer Period that results in investors being offered the opportunity to revoke their subscriptions, the investors will have an opportunity to revoke their subscriptions for a period of two days after the publication of such a significant new event. The Offer Period will be extended accordingly if notification of a significant new event occurs within the last two days of the Offer Period.

SELLING AGENT

Nordnet has been engaged as Selling Agent in connection with the Offering. Those who have custodian accounts at Nordnet may apply via Nordnet's Internet service on which the Offering will be available at Nordnet's website.

PAYMENT AND REGISTRATION OF THE OFFER SHARES

The Offer Shares will be registered in book-entry form electronically with VP Securities, Weidekampsgade 14, 2300 Copenhagen S, Denmark. All Shares are registered on accounts with account holding banks in VP Securities. Investors that are not residents of Denmark may use a Danish bank directly or their own bank's correspondent Danish bank as their account holding bank or arrange for registration and settlement through Clearstream, 42 Avenue JF Kennedy, L-1855 Luxembourg, Luxembourg, or Euroclear, 1, Boulevard du Roi Albert II, B-1210 Brussels, Belgium.

Settlement is expected to take place two business days after the announcement of the allocation, and is expected to be on 15 May, 2019. The account holding bank will normally send a statement to the name and address registered in VP Securities showing the number of Offer Shares subscribed by the investor unless otherwise agreed between the investor and the relevant account holding bank. This statement also constitutes evidence of the investor's shareholding.

The Offer Shares are expected to be delivered in book entry form through the facilities of VP Securities on 15 May, 2019 against payment in immediately available funds in Danish kroner. All dealings in the Offer Shares prior to settlement will be for the account of and at the sole risk of the parties involved.

Investors will not receive specific allocation information from the Company.

PUBLICATION OF THE RESULT OF THE OFFERING

The result of the Offering will be announced through Nasdaq First North Denmark on 13 May, 2019.

PRE-ALLOTMENT INFORMATION

Upon completion of the Offering, and if the Offering is fully subscribed, the Company's share capital will be DKK 529,091, divided into 10,581,818 Shares with a nominal value of DKK 0.05 each.

PRICING

The Board of Directors has decided the Offer Price in consultation with Västra Hamnen Corporate Finance to DKK 6.875 per nominal DKK 0.05 Offer Share.

The valuation of the Company is based on the potential of the Company's business plan, including the cooperation and order with Saint-Gobain (international distributor), the expected internationalization through Saint-Gobain and cooperation with FM Mattsson Mora Group (Scandinavian tap manufacturer with international sales) and the Intellectual Property Rights-portfolio (Patent applications) related to the Company's water technology. Importantly, a major decision point has been the interest from a number of institutional investors that have been given the opportunity to evaluate the Offering before the Offer Price was determined.

Considering the subscription undertakings made by the Cornerstone Investors of DKK 11,923,010 in share value, the Offer Price is deemed to be according to market terms. Brokerage commission will not be charged.

No action has been or will be taken in any jurisdiction other than Denmark that would permit a public offering of the Offer Shares, or the possession, circulation or distribution of this Company Description or any other material relating to the Company or the Offer Shares, in any jurisdiction where action for that purpose is required. Accordingly, the Offer Shares may not be offered or sold, directly or indirectly, and neither this Company Description nor any other offering material or advertisements in connection with the Offer Shares may be distributed or published, in or from any country or jurisdiction, except in compliance with any applicable rules and regulations of such country or jurisdiction.

LOCK UP

See section "Legal considerations and supplementary information" – "Lock Up Agreement".

*HOT WATER INFRASTRUCTURE
CONSUMES ENERGY
AND EMITS CO₂ 24/7*



Investment highlights



INNOVATIVE WATER TECHNOLOGY

A market-disrupting and innovative way of heating water compared to traditional water heaters. Waturu's technology transfers energy directly into the water resulting in the most effective electric tankless water heater. The technology ensures significant savings of energy and water, instant heating as well as disinfection of the water.



SUBSTANTIAL ENVIRONMENTAL EFFECT

With its technology, Waturu wants to contribute to sustainable development and thus The UN Sustainable Development Goals (SDGs); Clean water and sanitation, Sustainable cities and communities, and Responsible Consumption. The technology results in documented energy and water savings (up to 94% and 75% respectively) and is powered by electricity which can be produced locally or used as 100% CO₂ neutral energy.



ON THE VERGE OF COMMERCIALIZATION

Based on a global distribution agreement with Saint-Gobain and sales booked for the Danish market with estimated total sales of 25,000 units over the next three years the Company has a target revenue of 120 MDKK in 2023. Waturu has also signed an LOI with the Scandinavian tap manufacturer FM Mattsson Mora Group, expected to lead to a definitive agreement with substantial sales.



SOLUTIONS FOR A WIDE SPECTRUM OF INDUSTRIES

The characteristics of the Waturu technology enables usage in a wide spectrum of industries; a point-of-use water heater for the private and public sector, treatment of wastewater in industrial applications, OEM solutions within all product applications that use hot water, and for use as MedTech for an anti-inflammatory treatment.



DANISH PRODUCTION

Waturu has given priority to placing its production facilities in Denmark. By being close to the production site, consistent product quality is ensured, at a fully automated facility.



STRONG IPR POSITION

Waturu has filed for patents within key areas such as limescale, core design, and tank use. First patent is expected to be issued shortly.



COMMITTED AND COMPETENT STAFF AND BOARD

Since Waturu was established in 2016, the Company has worked to build a solid and competent board with members specialized within water, environment, production, sales, IPOs and law. Throughout 2018 the Company has focused on recruiting employees who can contribute to the growth and implementation of the IPO.



SCALABLE BUSINESS MODEL

The automated production setup will have a production capacity of 250,000 units per year, through the use of multi-shift operation. The production capacity will be scaled according to the demand. The current production setup can manufacture up to 250 units per month. Waturu will work on the basis of a lean organization enabled by sales through global distributors such as Saint-Gobain.

Hot Water Infrastructure - Global Problem solved by Waturu

CURRENT PROBLEMS



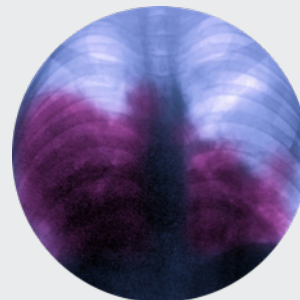
TOO EXPENSIVE

in energy consumption and standby heating loss



WASTING WATER

due to long delivery time and excessive water flow - aerator not helping



BACTERIA INFESTED

which is dangerous for people with bad immune system

THE SOLUTION



INSTANT HOT WATER

Better comfort & no water wasted



SAVES ENERGY

No circulation and/or no water tank with standby heating



REMOVES BACTERIA

Bacteria is killed in the core

CUSTOMER VALUE



SAVE WATER & ENERGY

75% of water use and up to +90% on energy use



SAVE MONEY

Repayment time 1-3 years including installation cost



REDUCING CO₂

Decarbonizing the building sector, one of the largest contributors of CO₂-emissions



Industry overview

The Waturu technology serves as a platform, enabling usage over several business areas; water heating, wastewater cleaning, OEM solutions, and Medtech solutions. In addition to the Medtech solutions, which has emerged as a result of the technology's cleaning capacity, all business areas share the same focus on the environment, regardless of whether they are about heating water efficiently or cleaning wastewater efficiently.

The water market, in general, is affected by increased water prices as a result of scarce water resources. Waturu's innovative water technology will not only result in savings on water expenses, but save 75% of the resource which is becoming more and more scarce around the world. In parallel to scarce water resources, the heating of water creates greenhouse-gas, which is the main issue in terms of climate change. The Fifth Assessment Report of The Intergovernmental Panel on Climate Change (IPCC) shows that observed warming since the mid-20th century is predominantly due to an increase in greenhouse-gas concentrations, as a result of emissions from human activities.¹ The report also describes how water supply in Europe can seem unlimited with the many freshwater lakes, rivers and underground water sources. But the massive population growth, pollution, urbanization and the consequences of

climate change, such as drought, challenge water supply and quality in Europe. This means that not only countries such as South Africa and Egypt are affected by water shortages, but more than 100 million people in Europe experience the seriousness of this.²

Climate change is a reality that needs to be taken seriously. In the EU-publication "Our planet, our future - Fighting climate change together (2018)" the EU Commissioner for Climate Action and Energy, Miguel Arias Cañete, states:

"Climate change is one of the greatest threats facing humankind today. It is not a problem we can put off and deal with when we have more time or more money. We all have a duty to act to stop the climate getting worse. The actions we take now will determine what the world we live in will look like in 10, 20 or 50 years' time. And it's going to need huge efforts from all of us individuals, governments, businesses, schools and other organisations, working together for a better climate and a better future."

There is a need for new technology in combating climate change. Waturu offers a very durable solution where everyone can consume responsible and sustainable.

¹ Climate Change Adoption, European Environment Agency, 2016

² Water use in Europe — Quantity and quality face big challenges, European Environment Agency, 2018

THE WATER HEATING MARKET

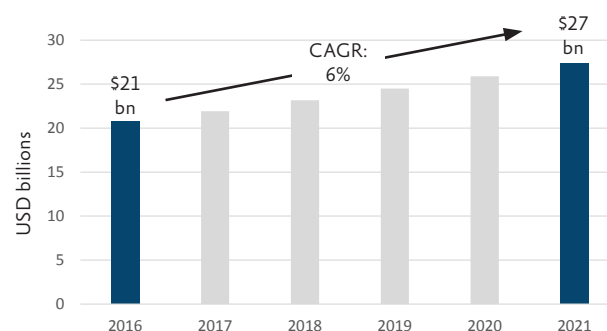
The Waturu water heater is a "point-of-use" unit that heats the water directly through the transfer of energy. The Waturu unit makes use of the water's conductivity to heat the water. While the initial focus is on efficient heating of tap water, the technology can be used in every product that uses hot water.

The global water heater market, including tank- and tankless solutions, was valued at USD 21 billion in 2016, expected to reach USD 27 billion in 2021, corresponding to a CAGR of approximately 6 percent. Current installations are dominated by old traditional water tank heater solutions, heated by gas, electricity or district heating. Government regulation to limit carbon emissions drives the market for advanced water technologies with better efficiency ratings. Further demand for replacement of conventional water heaters to tankless heaters is a growing trend globally, primarily driven by energy efficiency objectives and less storage space requirements. The annual deployment of the newly installed water heaters is expected to exceed 150 million units by 2024.¹

EU

Currently there are around 5 million non-residential buildings, 220 million households and more than 500 million people in

Expected growth - global water heater market, 2016-2021



Source: Technavio, Global Water Heater Market 2017-2021, (2017)

the EU.² In the coming years, all EU countries will set minimum ecological requirements for water heaters, thus hopefully reaching ambitious requirements for water heaters that could cut CO₂ emissions.

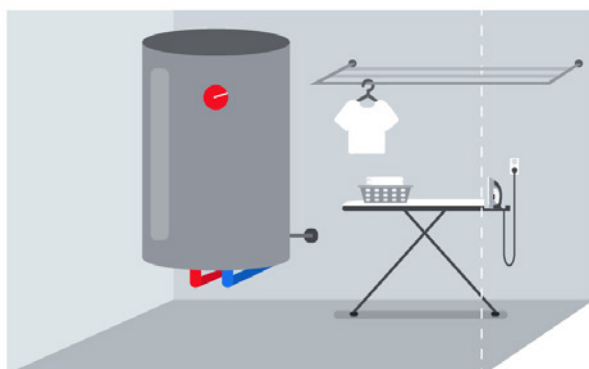
It is expected that tank type water heaters will remain the main street solution in the EU. However, increasing demand for tankless solutions is expected to significantly drive market growth going forward.³

¹ Global Market Insights, Water Heater Market Outlook - Industry Size, Share Report 2018-2024, (2018)

² Eurostat, People in the EU - statistics on household and family structures, 2017

³ Global Market Insights, Water Heater Market Outlook - Industry Size, Share Report 2018-2024, (2018)

Difference between tank-based and tankless solutions



TANK SOLUTION - TRADITIONAL

- The most installed and sold solution is a tank based system, along with other traditional solar heating and indirect heating systems. The source is usually oil, gas, electricity or district heating. While being the most deployed and installed technologies today, the overall efficiency is questionable, and the environmental impact is definitely improvable.



TANKLESS SOLUTION

- The principle working mechanism of tankless water heaters is by providing and heating water on demand rather than storing the heated water. Moreover, tankless water heaters ensure a continuous supply of hot water, while at the same time saving energy, making it more energy efficient than storage.

From an energy source perspective, electric water heaters will continue to hold the majority of the market share in the coming years. Currently, there are more than 60 million electric water heater installations. In secondary installations, 4 out of 5 are using electric water heaters as well.

For any technology that offers a dramatically improved efficiency compared to today's water heaters with a lot of other extras, the European market will offer great possibilities.

US

Residential water heaters supply hot water to almost all of the 79 million single family homes and approximately 21 million multi-family homes in the United States. As some single-family homes contain more than one water heater, there are approximately 103 million water heaters in total.

Almost every U.S. household has at least one water heater, and many of them are old, worn out and having performance problems due to limescale build-up. About 27 million households have water heaters that are more than 10 years old and in need of replacement.

The water heater replacement market continues to grow and today covers more than 10 million unit replacements annually in the US alone. Waturu believes that the U.S. market for tankless water heaters will experience a significant growth going forward.⁴

⁴ Verify Markets, Analysis of the United States Residential Water Heating Markets

Asia-Pacific

Asia-Pacific is expected to be a major growth contributor. Rise in population and increase in environmental concerns are two main factors that will drive the growth in the Asia-Pacific market. Additionally, government incentives and support in countries such as China, Australia, India, and Japan will also promote the installation of water heaters in this region. Together with better economies and increased living standards, these consumers demand products that have been a standard in households in developed countries. While the replacement market is non-existing there is a huge market for first time buyers.⁵

Competing technologies in the water heating industry

The competing position for Waturu's heating device in relation to other heating technologies is based on management's assessment.

While Waturu's technology is unique in many ways, there are several other solutions available in the market. The main difference between different suppliers, is the heating technology and tank based vs. tankless solutions. The information in the table below shows the general characteristics of the different solutions within water heating.

Water heating solutions

						WATURU
Solution	Storage	Heat pump	Solar	Tankless coil & indirect	Tankless - gas burner or Electric element	Tankless - submerged electrodes
	Operates by releasing hot water from the top of the tank. Cold water enters in the bottom; that way the tank is always full	Use electricity to move heat from A to B, instead of generating heat directly. Pulls heat from surrounding air	Includes both storage tank and solar collectors. Two types of solar water heating systems; active and passive	Tankless coil water heater heat water while it flows through a heating coil (no tank). Indirect water heater uses main furnace or boiler	Heat water directly without a storage tank. Cold water passes through the unit and a gas burner, or an electric element heats the water	Water passes through a core where electrodes are submerged, which leads to a direct electricity transfer into the water
Life expectancy	10-15 years	10-15 years	App. 20 years	10-11 years	10-15 years	10-15 years
Pros	Low purchase costs	Low operating costs, and more energy efficient than storage	App. 50 pct. more efficient than gas or electric water heaters	Low installation cost and maintenance cost	Constant supply of hot water. More energy efficient than storage	Constant supply of hot water. More energy efficient. No heat loss. Disinfects water. No limescale issue. Smallest unit size
Cons	Standby heat loss, where a circulation loss results in waiting time for hot water	Performance is dependant on the installation location	May require a backup system for cloudy days and times of high demand	Inefficient choice for many homes, especially for those in warmer climates	Multiple use of hot water can stretch the tankless water heater to the limit	New technology

*HOW MANY MINUTES HAVE YOU BEEN USING
HOT WATER TODAY?*

20 MINUTES?

*IN THE REMAINING 1420 MINUTES THE HOT
WATER INFRASTRUCTURE IS USING ENERGY
AND EMITTING CO₂ FOR NO REASON -
THAT IS NOT SUSTAINABLE.*

The OEM¹ market

A typical electric heater is usually a coil, ribbon (straight or corrugated), or strip of wire that gives off heat. When an electric current flows through it, it glows red hot and converts the electrical energy passing through it into heat, which it radiates out in all directions. Electric heaters are used in millions of products. The drawbacks of using old traditional heat element for heating are: Limescale, low efficiency, bacteria-build up, decreasing effect and space consuming.

Waturu's OEM solutions can replace traditional heat elements in all consumer products - white label. The technology improves the energy efficiency and lowers the water use to a minimum thereby taking the climate challenges within the sector to reach a carbonless future for all hot water systems.

As an example of the potential within the OEM business area, Waturu is working with different international companies with the target to use the Waturu technology within their respective OEM segment. Camping, which is catego-

rized under the recreational vehicle (RV) sector, would have an expected yearly potential of +40,000 units per year². In this sector, the benefits of the Waturu technology would give the campers better comfort and new possibilities to use hot water off grid as well as being lightweight compared to the current standard water heater.

Another example of how Waturu's technology can be used is within marine, global sailing and motor yachts, where a Waturu unit could deliver temperate and bacteria-free water.

Waturu's OEM solutions are focused on the demand from large international companies and what is by management considered the most lucrative and popular market. Each business area offers worldwide markets of different characters with different demands from each local region. But the base line is that the Waturu technology platform can support all OEM products.

¹ The OEM market, is short for original equipment manufacturer, which is an organization that makes devices from components bought from other organizations. The OEM business area in Waturu will sell technology to other distributor or manufacturers who will integrate the technology in their own products.

² The estimate is based on information from a global distributor within RV equipment, which has seen a demonstration of the Waturu water heater unit in an RV installation setup.

Example of use cases for Waturu's water technology



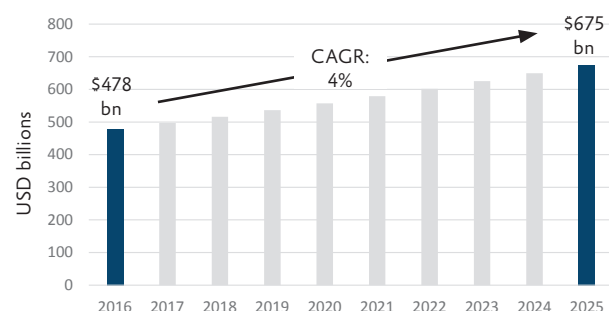
THE WASTEWATER MARKET

The Waturu industrial solution for wastewater is aimed at delivering cleaned water in the fastest and cheapest way possible. The equipment is fixed downstream after all other processes are done to make sure that no bacteria is left in the water - this could be E-coli or any other bacteria.

Health risks associated with contaminated water and wastewater, as well as water scarcity issues are prevalent on a global basis and contributes to the growth of disinfection technologies. Current technologies, like UV-lighting, ozonation, and reverse osmosis (RO) are all used worldwide by all waste water plants and waterworks in the effort to get the cleanest waste water possible. The current solutions, even though considered low cost, are littered with issues surrounding installation, running costs, efficiency, and maintenance. In detail, the structures needed for, eg. UV-lightning are expensive and take up large areas, while at the same time requires special equipments for maintenance. Also, the ratio between energy usage and bacteria killing rate is linear, meaning that to increase the killing rate of bacteria, more energy is required.

Today wastewater is polluted by human actions, including residue from drugs, and while the water is treated by the described technologies it is increasingly measurable in wildlife, eg. fish, flowers, etc. in the vicinity of where the downstream water plants discharge water. According to the 2017 UN World Water Waste Report, more than 500 million people live in water scarce city areas. Furthermore, as the general popula-

Expected growth - global water and waste water treatment market, 2016-2025



Source: Water & Waste water Treatment Market Worth \$674.72 Billion By 2025, Hexa Research, 2017

tion grows, the overall pollution load increased to over 80% of the world's wastewater and over 95% of the wastewater in some of the least developed countries is released into the environment without any treatment. The occurrence of serious diseases due to water contamination has made disinfection a necessity. Moreover, EU legislation further boosts this market by pushing the demand for new technologies to meet desired standards more effectively.

The global water and wastewater treatment market is expected to reach USD 675 billion by 2025, driven by the rising demand for freshwater for drinking, industrialization and agriculture.¹

¹ Water & Wastewater Treatment Market Worth \$674.72 Billion By 2025, Hexa Research, 2017

Bird view of a wastewater plant



The Danish Wastewater Market

As a result of the Water Sector Act's (Vandsektorloven) requirements for efficiency improvements, an increase in companies' investments and a decline in the operating expenses have been noted.²

In Denmark, the government currently has a massive focus on a greener future and has just published a new Climate and Air Initiative (Klima- og luftudspil): "Together for a Greener Future" (2018), which begins as follows:

"Denmark has for decades set new standards with our efforts for climate and environment. We have always been facing the challenges in the green area, believing we can solve them - not alone, but together with other countries. Denmark will continue to be in the front and showcase developments in Europe and globally. As a green pioneer country, we can inspire others into action."³

² Klima- og luftudspil/The Climate and Air Initiative, The Government, October 2018.

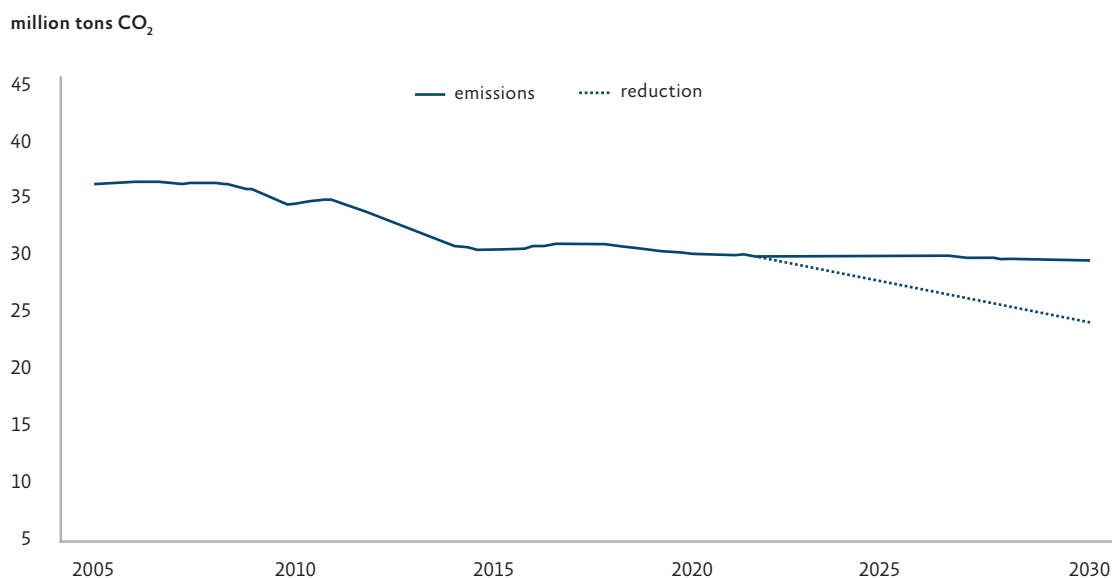
³ Climate and Air Initiative, The Government, 2018, p. 4

The Climate and Air Initiative is a step toward a climate neutral society by 2050, where fewer greenhouse gases are emitted than absorbed. A very specific objective is that Denmark should reduce emissions from non-quota sectors by 39% by 2030 compared to 2005 (see figure below). Non-quota sectors include transport, agriculture, housing and wastewater. These sectors are not covered by the EU Emissions Trading System (EU's kvotehandelssystem), where large environmental and climate-impacting companies buy or are allocated quotas for how much CO₂ they can emit.

Specifically, there are demands on the water quality leaving the waste water plants. Waturu's wastewater unit is uniquely positioned to help achieve this goal, while saving as much energy as possible. Waturu expects to publish results in 2019 together with the municipality of Hedensted's wastewater plant, which has conducted testing on the Waturu wastewater unit together with the third party testing company Eurofins⁴ that has done laboratory testing.

⁴ Eurofins Scientific Denmark, is a company specialized in doing sampling and analysis of water and other substances

Danish climate objective in 2030



Denmark has undertaken to reduce emissions from the non-quota-covered sectors (nonETS) by 39 percent in 2030 in comparison with 2005. Based on the current expectations for the development of greenhouse gas emissions, this will require a further reduction of DKK 32-37 million tonnes of CO₂ in the years 2021-2030. The blue line is the expected development of greenhouse gas emissions - and to reach the goal a further reduction is needed.

Source: Energistyrelsens Basisfremskrivning 2018

THE MEDTECH MARKET

Waturu has, together with cornerstone investor and Professor MD Peter Bjerring, founded the Company Danish MedTech ApS on 3 July, 2018. Even though the Waturu technology is platform based, the final medtech solution must be customized to achieve the correct water composition. A pre-trial study has been done with positive results, and at the end of 2018, the Company conducted a study approved by The Danish Ethical Committee. The study was a blind placebo study with the objective of documenting that the bacteria-free, temperate and hydrogenated water, acting as an antioxidant, can be used to treat patients with inflammation, etc. The data collected during the study showed the need for additional tests to be completed in 2019 and 2020. The studies will lead to a better understanding of the possibilities of the technology. The Danish MedTech treating device can be used by a patient at home. With the device, the user can treat the affected skin area with hydrogenated water. The device is patient-friendly. It is the Company's objective to spin out the subsidiary within the next couple of years, once further clinical testing has been completed and a professional management with extensive knowledge from the healthcare sector has been recruited to the company. The prospects for a spin-out of the Medtech company are positive but will need approval from the Board of Directors and could be cancelled or postponed. For more information see page 44.

There are ~174 million inflammatory skin disease (ISD) patients in Europe in need of a better treatment than the current state-of-the-art. ISD (e.g., psoriasis, eczema, rosacea) affects on average 20% of children and 10% of adults. ISD state-of-the-art treatments fail to address simultaneously both the bacterial and inflammatory component of ISD, essential for effective treatment. Moreover, all current treatment options have potentially severe long-term side effects and are financially and/or logistically burdensome for patients and their relatives. Danish MedTech developed a treating device, which addresses both aspects of ISD, bacterial and inflammatory, at the same time in a patient-friendly manner, via a shower or bath of the affected skin area. Compared to current treatments, the device is an elegant solution that delivers higher quality treat-

ment to the patient by addressing the production, delivery and storage of simple small inorganic molecules with proven therapeutic properties.

Current treatments for ISD focus on suppressing one of the two components that characterize ISD: the bacterial component or the inflammatory component. To improve outcomes, several treatments are therefore typically combined to address both components, at the risk of complicating treatment schedules and/or increasing side effects.

- Antibiotics address the bacterial component in ISD, but cannot be prescribed for long periods since this leads to the development of antimicrobial resistance. Also, antibiotics have low patient compliance since patients will stop the treatment as soon as symptoms disappear, leaving a chance for the remaining bacteria to proliferate.
- Corticosteroids address the inflammatory aspect of ISD. These are applied topically, or in severe cases administered orally or intravenously (systemic treatment). Corticosteroids are expensive; psoriasis patients spend on average €175 / year on corticosteroids. Other disadvantages include a sticky and slimy topical application, which often must be done according to a complicated schedule. Also, corticosteroids are associated with potentially severe long-term side-effects, including thinning of the skin, leading to an increased susceptibility to infections.
- UV-B light treatment is dangerous, time-consuming, and logistically challenging. Patients are treated under the supervision of a healthcare specialist at specialized centers, where affected skin is irradiated with UV-B light. The lack of a recognized safety standard and the role of UV-B light in causing skin cancer make this treatment risky. Moreover, in some cases patients also use it as an at-home self-treatment option, increasing the risk of mistreatment and skin cancer.

The Anti-Inflammatory Therapeutics Market is expected to reach USD 130.6 billion by 2026, corresponding to a CAGR of approximately 8.5 percent during the forecast period 2018-2026.¹

¹ Global Anti-inflammatory Therapeutics Market, 2016-2026, Researchandmarkets., 2018



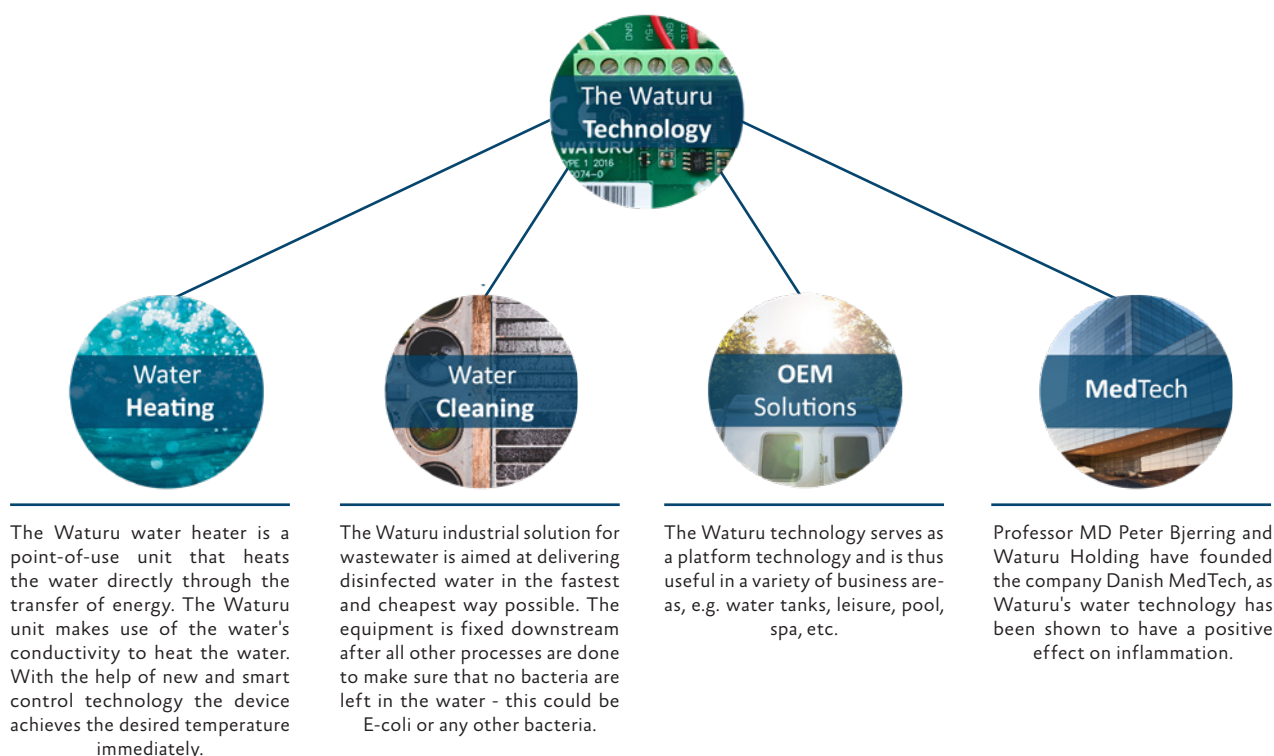
Company overview

Waturu is a Danish Green Tech company that has developed an innovative water technology with the overall environmental purpose of saving water and energy and reducing CO₂. Waturu's technology transfers power directly into the water resulting in the most effective electric tankless water heater which gives up to 75% savings on water consumption and up to 94% savings on energy consumption compared to a hot water solution based on district heating with circulation. The energy and water savings translates to massive CO₂ savings.

The technology ensures instant heating without any standby heating loss, no waste of water, disinfection of the water and a lower water flow, causing a lower energy consumption. The technology, therefore, challenges how we currently heat and consume water and have the potential to disrupt the water heater industry entirely.

The Company operates within four different business areas; hot water, wastewater, OEM and MedTech.

The Waturu technology is a platform technology, adaptable to several different industries



VISION

Waturu envisions that all buildings are fitted with the Company's innovative water and energy saving technology so that minimum amount of water is used for everyday functions, e.g. hand washing, and showering, while at the same time benefiting from increased comfort and bacteria-free water.

MISSION

Waturu's mission is to bring the best sustainable products to the market and deliver on the expectations of the consumer today and in the future without compromising on being environmentally friendly.

OBJECTIVES

Hot water

The market for hot water products is universal given that the general population uses hot water daily. Waturu will focus on two primary areas: Water heating in commercial buildings and OEM solutions. Waturu has entered into a distribution agreement with the Danish branch of the French multinational company Saint-Gobain, one of the leading suppliers of material for construction globally. Going forward, Waturu will utilize Saint-Gobain's global distributor network to roll out the product outside the borders of Denmark.

Within the OEM segment, Waturu has entered into an LOI agreement with one of the oldest tap manufacturers in Scandinavia. The LOI is expected to be replaced by a definitive agreement which will regulate the collaboration and give exclusive rights on several new products - the first one is an instant-hot water solution. Furthermore, other tests will take place to establish other potential product possibilities, among them a unit for treating bacteria in hot water circulation and a unit for treating limescale. The objective is to expand the product portfolio. The first product is to be offered by the tap manufacturer in all of their markets in the EU.

Wastewater

Waturu's secondary market focus is a bacteria treatment solution which is expected to outperform UV-lighting at wastewater facilities and for treatment of drinking water at water utilities. The market is global, and the Company has identified potential customers in South Africa, Europe, and the United States. The objective is to initiate partnerships with some of the largest wastewater companies in the continent.

Medtech

The Company's subsidiary Danish MedTech is developing a solution that can treat patients with inflammatory skin disease, a market currently occupied by global companies selling cream products based on corticosteroid. The Company will focus on finding a global partner with a brand name and

HISTORICAL DEVELOPMENT

2019 Waturu signs distribution agreement with Saint-Gobain's Danish subsidiary. In addition, Waturu signs LOI agreement with FM Mattsson Mora Group, one of the largest tap manufacturers in Scandinavia.

2018 Staffing up, finishing the second generation decentralized water heater and testing of the first generation commercial water cleaner. Subsidiary Danish MedTech is founded and professor MD Peter Bjerring joins the Company. A comprehensive study approved by the Danish Ethical Committee is conducted. Initiating listing process to setup Danish production and sales organisation.

2017 Filling of significant patent applications within the technology scope. Bringing on a professional board and further investment, and exploring partnerships. Grant awarded by the Danish Innovation Fund and participation in Accelerace growth program.

2016 The Company was founded in Vejle by Greentech Investor ApS and TM Venture ApS. Key personnel were hired and testing facilities were set up. Technology was installed at reference buildings.

together with the partner target the millions of patients with inflammatory diseases.

It is the Company's objective to spin out the subsidiary within the next couple of years, once further clinical testing has been completed and a professional management with extensive knowledge from the healthcare sector has been recruited to the company. The prospects for a spin-out of the Medtech company are positive but will need approval from the Board of Directors and could be cancelled or postponed. For more information see page 44.

Financial objective

- Revenue from minimum five markets within three years.
- Target revenue of more than 100 million DKK in 2023.
- Positive Cash Flow within 2020.

PRODUCTION

Waturu has partly outsourced manufacturing to reduce the requirements for facilities, capital expenditures, and personnel. The outsourcing partner is an automation specialist and certified reseller of Yaskawa MOTOMAN Robots. The facility is based in Haderslev in the South of Denmark.

Part of the proceeds (25-30 percent) will be used to set up a CO₂ low-emission factory in collaboration with the outsourcing partner. The factory will feature an automated production line capable of producing 250,000 units per year. The second generation of the unit will be CE marked and exceed all possible safety measures and standards.

As a feature of the automated robotic production line, repeated lifts and difficult operations are done without humans involved. Furthermore, the robots have programmable sets for different OEM products as well as the Waturu tankless water heater.

The startup expenses for the production facility are estimated to approximately DKK 5 million. In production mode, there will be running costs for staffing, production oversight and lease of factory property and additional investment. The factory is estimated to be up and running during mid H2 2019 under the condition of successful Offering.

SALES

Waturu's overall sales strategy for distribution is to support the distributor's own sales efforts. The handling of distributors will be managed through the Company's Danish head-

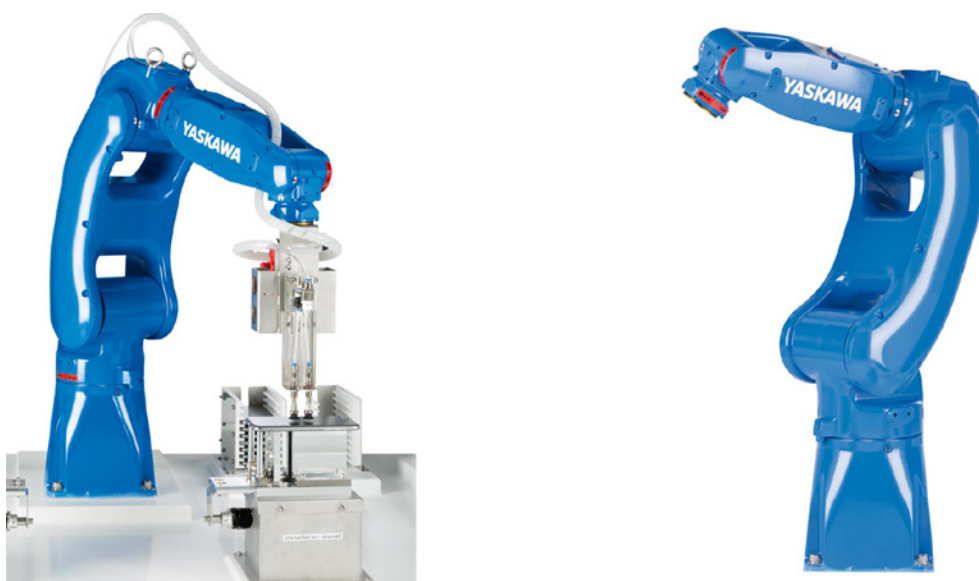
quarters. Sales resources are implemented on a regional (local) basis, covering multiple distribution areas and also assisting cross regional marketing efforts. The primary choice of distributors will be established companies with a strong market presence and solid sales channels.

OEM sales are driven from the Danish headquarter as the need to intersect with development requires many different inputs and larger scale decision making. To that extent, OEM sales specialist will be employed to generate and support new sales. Such specialists will be able to discuss the integration of components at the technical levels. Initial sales will be generated by the management team and the hired sales staff locally and internationally.

As of the date of this Company Description the Company awaits test results in H2 2019 from wastewater testing. The tests have and will be carried out at Hedensted Spildevand A/S and after final test results the Company expects to host an event for the country's wastewater companies. At the event, Waturu's technology and the test results will be displayed. In this way, the Company will draw attention to the technology and, on this basis, the Company aims to attract new distributors.

The growth strategy, together with the Trade Council, is to identify and engage different distributors/partners based on a list of companies which are expected to have local knowledge and who is expected to want to distribute Waturu's products.

Motoman-robot



Motoman-robot that will be used in the automated production.



Copyright Saint-Gobain

ONE OF THE WORLD'S LEADING SUPPLIERS FOR CONSTRUCTION MATERIALS

Within water heating, Waturu has signed a distribution agreement with one of the world's leading suppliers for construction materials, the French multinational company Saint-Gobain.

Saint-Gobain has its Headquarters in France and is present in 67 countries. The group has been active in the Nordic and Baltic Sea region in the last 50 years.

- A turnover of more than EUR 39 bn
- More than 179,000 employees

Waturu has booked sales, with expected sales of 25,000 units/3yr.

Going forward, Waturu will utilize Saint-Gobain's global distributor network to roll out the product outside the borders of Denmark.

FM MATTSSON MORA GROUP

In January 2019 Waturu entered into an LOI agreement with FM Mattsson Mora Group, a Scandinavian tap manufacturer.

The manufacturer has its Headquarters in Sweden and numerous subsidiaries in Northern Europe.

Operation spans from tap manufacturing to bacteria treatment solutions as well as solutions for reducing water consumption across all tapping points, e.g. kitchen, handwash, and shower.

- A turnover of more than SEK 1.1bn
- More than 500 employees

FM Mattsson Mora Group will utilize the Waturu technology to launch new products and secure sales through an already established sales network.

The LOI is expected to be replaced by a definitive agreement which will regulate the collaboration and give exclusive rights on several new products.



MARKETING EFFORTS

As with all technologies affecting our daily lifestyle the most important marketing factor is to reach the actual consumer. The availability and accessibility of the general public through social networks like Facebook, LinkedIn, Youtube etc. is exceptional and will be one of the cornerstones of making the technology known. Also ads through the Google Display Network will be used to reach potential consumers.

Government incentives in many countries have a positive effect on market reach as the relevant industry (manufacturing, distribution, resellers, installers) already have great focus on energy consumption and environmental impact. Industry marketing with focus on the technology and its impact are another cornerstone effort, creating a push pull in the market. Eg. print marketing and advertising in commercial industrial professional magazines and journals.

As Waturu engages distributors across all regions we expect to be able to help create demand for the products by delivering in store marketing material and investing in reference cases where needed. The Company will work with professional marketing agencies across regions in order to get maximum impact.

Furthermore the marketing strategy will include marketing, sponsor and sales agreements with companies or organiza-

tions with activities that can support the strategy within the sales areas Hot Water Heater and OEM solutions. In general these agreements are to support the distributors selling the Waturu products.

The strategy will include sponsor and marketing agreements within the Marine sector to support sales of a new hot water heater product for the Marine industry. Direct sponsorship and sales agreement will secure marketing to the sailing and yachting industry which today is using hot water heater systems based on old heat elements. Often the water quality is poor due to the fact that water is stored in rubber or metal tanks in the yacht for weeks and months with low use and thereby no circulation leading to bacteria infected water.

The sailing and motor yacht industry is global and the potential ranges from end sales to small sailing or motor yachts to supplying new hot water solutions to large cruise ships.

This strategy will also include marketing agreements that can support sales to the RV sector (camping and trucks) which could be sponsorship of camping sites and or special equipped RV vehicles with Waturu Hot Water Heater technology installed for special events or promotions.

Sponsorships or marketing and sales agreements with sports organizations will also be part of the strategy to sup-

Point of sales display



port sales of new hot water solutions for sports facilities. Sports facilities often have poor older hot water solutions which are only used randomly and which can develop water-borne bacteria that can affect the users. The strategy is to create agreements with leading sports organizations to support the sales to this sector.

Waturu Holding A/S will also use these agreements to support the investor relations task including facilitating investor events.

The first agreements are expected to be within the Marine and the recreational vehicle (RV) market and later on larger agreements with national sports organizations, with yearly costs of up to MDKK 1, which is expected to generate higher sales and general interest in Waturu Holding A/S.

The Marine market has a substantial potential. Moving customers from tank based hot water solutions to the tankless Waturu units. Most sailing- and motoryachts have onboard tank-based hot water solutions which have issues with water left unused for long periods of time, leading to bacteria build-up and, often in smaller tanks (Liter volume), leading to low comfort when used. Almost no boats in the segment have anti legionella or anti bacteria solutions on board.

The current solutions are used globally and the market con-

sists of an OEM (new builds) and an aftermarket. There are more than 5,000,000 boats in Europe and approximately 4,500 marinas.

Waturu is looking to enter into the market with an exclusive international distributor which could facilitate sales within the Marine market in the coming years.

The RV market has substantial global potential and it is estimated that the market could lead to potential sales of 40,000 units per year (*see p. 28 for more information on the RV market*). The marketing agreement within the RV market could include a sponsor tour/roadshow, where a caravan is outfitted with Waturu technology for hot water, for anti bacteria treatment and for outdoor use and showcased to potential end-customers on larger camping/caravan sites.

All marketing agreements will have 3 purposes:

1. Facilitating distributor agreements
2. Branding and marketing effect
3. Generating end-customer sales demand

The first marketing agreements will be initiated after the IPO.



PRODUCTS

Waturu heating unit

The Waturu water heater is a point-of-use unit that heats the water directly through the transfer of energy, thus eliminating any delivery losses. The unit makes use of the water's conductivity to heat the water. With the help of new and smart control technology, the device achieves the desired temperature instantly while disinfecting the water. The technology enables more efficient use of water and energy, as well as reducing CO₂ at a price that is affordable even in third world countries. Society today relies on 100 year old heating technology for hot water which is ineffective in use, wastes water and contains possible life threatening illnesses affecting millions of people worldwide from bacteria filled water, e.g. Legionella and E-coli.

The traditional way of creating hot water infrastructure for buildings is based on installing a central heated tank and circulation of the water to all taps through rooms, floors, and cavities with an enormous loss of energy based on non-isolated and endless tubing. Furthermore, a huge amount of water is wasted while waiting for the hot water to arrive at taps at temperatures that poses a bacteria risk due to the difficulty in having to heat up the entire water circulation beyond 55 degrees while keeping the water flow high to minimize standing water as this increases the bacteria built-up. The end user is left with large running costs, a comfort level with room for improvement and an inability to be environmentally friendly.

The Waturu solution as a decentralized tankless water heater is easily fitted, connected on the cold water pipe, in optimal cases no more than a foot from the tap and only uses electricity when being used for e.g. washing hands. The unit is shoebox sized and fits with its light Scandinavian design nicely into even the most demanding interior designs.

When the unit is activated by the user the hot water is delivered within seconds and the user can be certain that the

Waturu Hot water



New automatic unit, with clean Danish design and easy installation, will be launched in late 2019

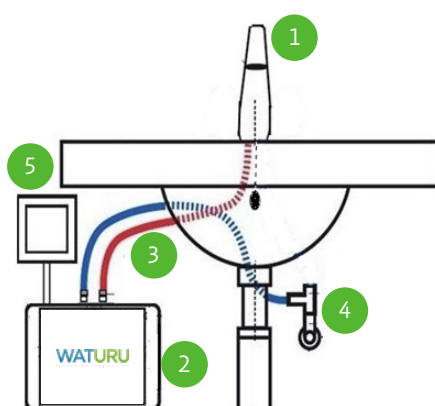
water is free from bacteria. Furthermore the user can now join the growing population of people who are living in a responsible and sustainable way.

The running costs are low because the technology operates meticulously, e.g. no standby loss and the maintenance requirements are very low as the heating technology is not affected by limescale or decomposition based on hot spots in the water.

Advantages of the Waturu water heater unit

- Instantly hot disinfected water
- Only uses electricity when producing hot water
- No limescale issues
- Limited maintenance
- Save up to 75% on hot water consumption
- Save up to 90% on energy for hot water
- Reduce CO₂

How it works - water heating solution



- 1 Tap
- 2 Waturu unit
- 3 Cold water inlet and hot water outlet
- 4 Cold water supply
- 5 Electric outlet

OFFICE BUILDINGS



NURSING HOMES



SCHOOLS



HOLIDAY HOMES



HOSPITALS



NEW BUILDINGS



OEM SOLUTION

Waturu's OEM solution can replace traditional heat elements in all consumer products. The technology improves energy efficiency and lowers the water use to a minimum. Other benefits using the Waturu technology in an OEM solution:

- Instant hot water
- Bacteria-free water
- Sustainable
- Better comfort
- No limescale issues
- Low weight
- Small in size
- Scalable
- Easy to integrate into any product
- Development resources available for OEM-projects

All OEM products can be supported on the Waturu technology platform. Some products may require adaptation and development. The following areas are within the scope of the technology use:

- Caravans
- Mobile water heaters
- Dentist Chairs
- Coffee Makers
- Pools & Whirlpools
- Dishwashers
- Washing Machines
- Space heating
- Anti-bacteria units
- Anti-limescale hairdresser unit

Mobile water heater - example of OEM solution



- Pasteurisation
- Clean water station
- Etc.

In a dishwasher or in washing machine, taken as an example, the device may provide faster or instant heat, higher energy efficiency. No limescale issues due to the patent protected performance solution. Temperature ratio from inlet temperature to boiling point. The technology is scalable and will heat the water instantly. Furthermore, the water will be softened by breaking down the limestone.

As of the date of this Company Description, Waturu has engaged with seven international distributors within different business areas in the OEM-segment to deliver a unique water heater with focus on lightweight, easy installation and scalable amps for installation outside the building sector. As an example, the caravan and truck market potential is expected to be +40,000 units per year. Additionally, Waturu has also engaged with the a distributor of power tools to working professionals. The product for professionals is a mobile water heater which can be used outside on a construction yard and deliver hot water by a tank or tankless with the benefits of the technology. The product has a global market potential. As of the date of this Company Description, there is no definitive agreement with above mentioned distributor of power tools or any other distributor within the OEM-segment.

The OEM process



SPA & POOL



MOBILE HOMES



DENTIST CHAIRS



COFFEE MACHINES



WASHING MACHINES



DISHWASHERS



Waturu water treatment unit

The solution is designed to deliver disinfected water in the fastest and cheapest way. The device is installed after all other processes to ensure that there are no bacteria, such as E-coli, left in the water. Compared to the current UV and membrane/filter solutions, Waturu's industrial solution is easy to handle, more durable and controllable, and solves several of the current treatment problems.

With the Waturu technology as a platform, the Company's product for wastewater companies and utilities was developed in 2018. The ability to kill bacteria has been documented several times, including tests done with Potem Environment in China, which is a Beijing wastewater company. Test was conducted on water from the Beijing River. The disinfecting level has shown to be as good as any filtering technology without the waste of water and energy. The product is currently being tested for scalability for a range of needs, from cleaning wastewater from smaller companies, decentralized wastewater systems that pre-cleans the water before delivery into the public wastewater structure, to large volume solutions adapted for wastewater utilities' main volume drains.

The primary end-users are wastewater utilities and water utilities. These utilities currently use UV-lighting or reverse osmosis. UV-lighting has high electrical running costs and human work for maintenance changing the lighting tubes, as well as the need for infrastructure that creates small streams or condensed water/UV areas. Reverse osmosis, a filter technology where a membrane is used to separate particles in the water with extreme amounts of water being wasted and

excess of energy during maintenance on an elevated level for keeping the membrane clear of debris.

The Waturu water treatment unit can be easily integrated into small and large wastewater streams. It disinfects water at levels of energy much lower than traditional solutions whereas there is no linear relationship between consumption of energy versus killing rate of bacteria. The maintenance and running costs are considerably less than traditional solutions, and even smaller waterworks can acquire the solution even for part time use when elevated levels of bacteria or other organisms in the water are present.

The Waturu water treatment unit can also be used to reuse wastewater for irrigation. There is a global problem with a lack of water for irrigation resulting in the use of untreated water for irrigation.

Advantages of the Waturu water treatment unit:

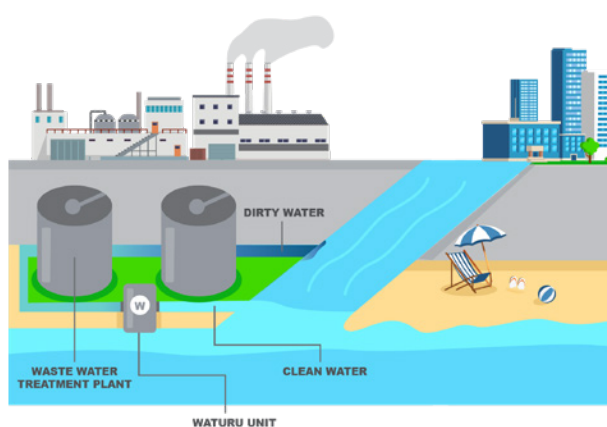
- Effective disinfection of water
- Small space requirements
- Fully automatic with network access
- Scalable from 3 m³/H and up
- Low operating costs
- Easy installation, maintenance, and setup
- Brown water treatment

Waturu water treatment unit



Waturu water treatment unit, designed to deliver disinfected water in the fastest and cheapest way.

Illustration Waste Water Unit application



The wastewater unit is fixed downstream after all other processes are done to make sure that no bacteria are left in the water (e.g. E-coli).



WASTE WATER



DANISH MEDTECH

Professor MD Peter Bjerring, a specialist in dermatology, discovered that water treated by a customized Waturu unit had a positive effect on inflammation. The final medtech solution must be customized to achieve the correct water composition, in order to deliver bacteria-free, temperate and hydrogenated water.



Treating inflammatory diseases with the unique water is a comfortable, user friendly and a low cost treatment method that has shown potential.

The current products for treating inflammatory diseases with cream products containing corticosteroid leaves the user with serious side effects while at the same time being problematic to use. Users with extreme inflammatory diseases where the inflammation has become a wound have further problematic issues considering that current products are not to be used on open wounds.

The Company's subsidiary Danish MedTech has finished its first internal clinical trials with positive results, and in late 2018 the Company conducted a comprehensive study approved by The Danish Ethical Committee. The study was a blind placebo study with the objective of documenting the effect. The data collected during the study resulted in the need for more tests to be carried out in 2019 and 2020, to gain a greater knowledge of the technology's potential in the MedTech business area. It is the Company's objective to spin out the subsidiary within the next couple of years, once further clinical testing has been completed and a professional management with extensive knowledge from the healthcare sector has been recruited to the company. The prospects for a spin-out of the Medtech company are positive but will need approval from the Board and could be cancelled or postponed.

It will be a priority target for Danish Medtech to develop a solution without side effects for Atopic dermatitis (eczema in children, infants & toddlers). Picture show infected hand.

GRANTS

As of the date of this Company Description, the Company has not received any funding in the form of grants.

The subsidiary Danish MedTech has partnered with Sinua Partners ApS, which is a business consultant within medtech and healthcare, and Catalyze from the Netherlands, a funding specialist within healthcare to help develop the business plans, the market analysis and partner search. As of the date of this Company Description, the subsidiary Danish Medtech has not received any funding through grants.

SUPPORT

Training

The Company will establish a web based learning system with the aim of presenting how the installation is done and how to place the Waturu unit under a sink or in a cabinet. It is important to mention that installing our solutions does not require a new set of skills for professional installers but rather an understanding of 'how to'.

Support centre

The Company will work on a 100% Return Merchandise Authorization Policy (RMA). To that extent, certain size distributors will hold an RMA rotation stock to resolve all issues in the market quickly. Support staff will be hired to support the sales and marketing team.

ORGANIZATION

Waturu has its headquarter in Vejle, Denmark. The subsidiary Danish MedTech is co-founded with professor MD Peter Bjerring. The subsidiary is expected to be staffed pending investments from the parent company post the IPO.

As for the date of this Company Description, the number of employees amounts to 5, of which five are full time employees. Waturu has outsourced part of its technical workforce to a highly skilled Danish technology company in Haderslev, Denmark, while still keeping the Company's own testing facility for research and development in Vejle.

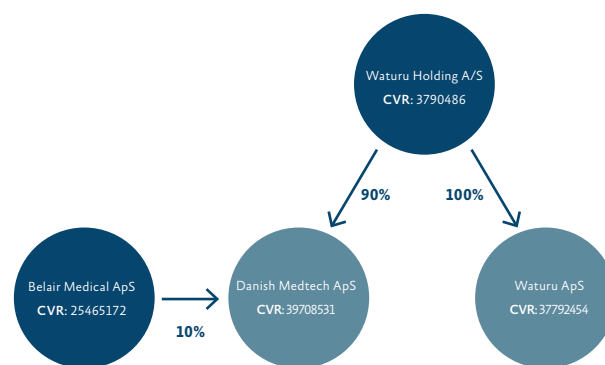
At the end of 2020, the company expects to be a total of 12 full time employees. The employee expansion will be focused on sales, marketing, and product development - all of the three are considered of equal importance, to generate sales and maintain the high technological lead.

GROUP STRUCTURE

Waturu Holding A/S

Greentech Investor ApS (61.28%), Øster Land Invest ApS (11.71%), TM Venture ApS (8.16%), The Marschall Plan Holding ApS (8.16%), Green Growth ApS (3.97%), Vendiaros Holding ApS (3.37%) and Neuhausen & Co SA (3.37%).

Group structure



The main activities of the Waturu Holding Group are distributed in the areas of hot water, OEM and wastewater solutions. The Group collaborates with international companies that can distribute Waturus' products and solutions or integrate the technology in new products under their own brand name.

Waturu ApS

Waturu ApS is owned 100 % by Waturu Holding A/S.

Waturu's main activities include development, manufacture and marketing of water heater and water treatment technology.

Management: same as Waturu Holding A/S

Board of directors: same as Waturu Holding A/S

Danish Medtech ApS

Danish Medtech ApS is owned by Waturu Holding A/S (90%) and Belair Medical ApS (10%). Belair Medical ApS is fully owned by MD., Ph.d., Peter Bjerring.

Waturu Holding A/S is the main shareholder in the company Danish Medtech ApS, which deals with the development of products for the HealthCare industry with a focus on treating inflammatory skin diseases and wound care.

Management: Toke Reedtz, CEO

Board of directors: Thomas Marschall (chairman), Peter Bjerring, Toke Reedtz.

Belair Medical ApS

Peter Bjerring (100%).

Belair Medical ApS, which is owned by cornerstone investor and Professor Peter Bjerring, has a 10% share of the company Danish MedTech ApS. Peter Bjerring is a recognized dermatologist which possesses great knowledge within skin diseases. His knowledge and specialized skills are of great importance to the company Danish MedTech ApS.

WATURU PROPRIETARY RIGHTS

During 2017, 2018 and 2019 Waturu has applied for patent protection on technology, and Waturu has been notified that a patent will be issued in May 2019, "Device for treating and heating water in a tank style water heater", PA201800031. A granted patent can provide solid protection for 20 years*. Going forward, the patent portfolio will be broadened for new applications of the Company's technology. Some of the patent applications are targeted at detailed innovations within the core of the technology and is expected to be used in other sectors. These patent applications can be of high value and is expected to secure sales of the Waturu technology or sales through license agreements. The technical development resources have indicated several possible patents applications which will secure further value for the Company. Agreements made with international partners in NDA or LOI includes the possibility for the Company to secure its own innovations within new business areas. Often the new business areas and international partners inspire the technical department of Waturu to innovate together with external technology leaving new possibilities to submit patent applications.

It is expected by the management that some of the applications going forward will be key to engage partnerships with global companies within several new business areas.

Innovations are based on prototyping, technical and strategic development which is tested in real use settings and must have value to customers or partners before submitting for IPR process.

The team behind the technical development of new Waturu products includes necessary or possible patent applications before issuing resources to any product.

Waturu's IPR position will be strengthened by increased financial capacity. The Company's current patent and patent pending family covers:

- Water heating and treating
- Use of trigger signal
- Energy efficient tank based water heater
- Medical device for treating inflammatory disease
- Enhancing unit core design
- Bacterial cleaning solution for hospitals (awaiting filing)

The subsidiary Danish MedTech has as of the date of this Company Description filed for a device for treating inflammatory disease, wound care and a device for treating chronic obstructive pulmonary disease (COPD).

The management and board of the Company are experienced in working with IPR businesses. The Company will to the extent possible use IPR and hereunder patents strategically to keep competitors at a distance. It is the Company's clear strategy within the IPR field to keep filing relevant IPR to protect the unique technological advantages that have been developed.

Otello A/S law firm with IPR specialists supports Waturu and Danish MedTech in writing, filing, and maintenance of IPR regarded tasks. Further patents applications are in the process together with Otello.

Trade secrets are used in manufacturing processes. Waturu and Danish MedTech names are trademark protected.

List of patents and patent applications**

PA number	Description	Comment	Priority date	Countries	Status
PA201700018 PCT/EP2018/050301	"A water heating and treating device"	In PCT process at WIPO in Europe and which seeks protection for technology related to the core of the Company's water heating solution.	2017-01-06	DK	Pending
PA201700019 PCTEP2018/050240	"Use of a Sensor signal from a tap"	In PCT process at WIPO in Europe which seeks protection for technology related to control of various units in a water environment.	2017-01-06	DK	Pending
PA201800031	"Device for treating and heating water in a tank style water heaters"	In PCT process at WIPO in Europe and which seeks protection for technology related to the use of the Company's water heading technology in a tank-style water heater.	2018-01-18	DK	Pending
PA201831859 62742953 (US)	"Device and method for treating electrodes"	Seeks protection for technology related to the treatment and preservation of electrodes used in electric water heating technology. The application is still within its priority year and has yet to be continued.	2018-10-08/ 2018-10-09	DK, US	Pending
PA 201900180	"An apparatus for performing topical treatments of the surface of a human body part"	Seeks protection for technology for the treatment of skin and other body parts.	2019-01-08	DK, US	Pending

* When a patent application is filed the process starts and can run for several years before the Company has knowledge if the applications will lead to granted patent or not. The term patent pending is used from filing until a patent has been issued or denied. The date of the application is the date from which the Company has patent rights and can protect the technology through law.

** Kindly see appendix: Statement of Rights. PCT is short for Patent Cooperation Treaty and WIPO is short for World Intellectual Property Organization

Growth Plan

Some of the information in the following section contains forward-looking statements based on assumptions and estimates associated with risks and uncertainties. Many of the essential assumptions used by the company are outside the company's control and influence. The forward-looking information and statements reflect the management's best estimate as of the date of this Company Description.

The actual results are likely to differ from the forward-looking statements as these events often do not occur as expected, and deviations can be significant. The forward-looking financial information in this section should be read in conjunction with the section "Risk factors" on page 5.

The management believes that the Waturu technology has the potential to disrupt the water industry in general and thus gain widespread use of its solutions and generating considerable sales growth.

COMMERCIALIZATION

The strategy for executing our growth plan is described in more detail in the section Sales on page 34 and Marketing efforts on page 36. According to the plan, the sale of water heaters, OEM products and water treatment units are planned to take place as follows:

- In 2019, the ambition is to be able to produce, sell and deliver to international distributor Saint-Gobain, owner of the plumbing branch – Bdr. Dahl in Denmark and execute first OEM orders. Furthermore, to begin sales to other OEM clients.
- In 2020, the ambition is to sell the water heater solution to several countries and to sell several OEM solutions. Furthermore, new OEM products/solutions will become ready for market entry in collaboration with global partners.

- In 2021, based on well-documented sales and growing demand for products and solutions within Hot Water, OEM and Water Treatment, more countries and partnerships will be targeted. The marketing will be based on customer references and focus on being climate friendly and customer centric technology.
- In 2022 - 2023, the team will execute production, sales and marketing based on a global demand from customers wanting new sustainable technology with improved customer comfort and lower operating cost. The focus on climate and responsibility are expected to be global drivers for years to come and thus the marketing message will focus on saving water, reducing CO2 and use less energy.

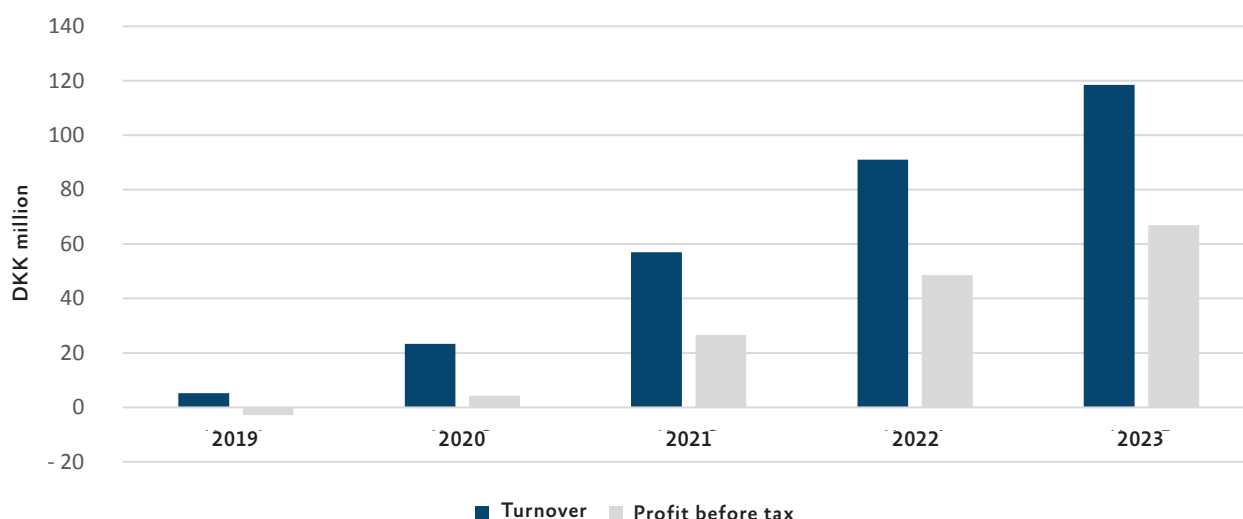
FINANCIAL AMBITIONS

With the already signed distribution agreement with Saint Gobain, on water heater solutions and estimated sales on the agreements that are under negotiation within OEM and waste water, the financial ambition for the Company is that Waturu products and solutions leads to revenue in the region of DKK 120 million in year 2023 with profit before tax of DKK 67 million.

Water heater solutions are the main revenue driver in general. Ultimo year 2020 the business area Hotwater is expected to cover Denmark, Sweden and Norway. Same year will see the first order in the business area Waste Water and the first substantial order within the OEM business area. Production cost in 2022 is expected to decrease by 25 %. In 2023 the OEM business area will have minimum 3 international distributors and the hot water business area is expected to cover 6 countries.

Export within the Waste water business area is not expected until after 2023.

Financial ambitions of Waturu Holding A/S



Technology overview

WORKING MECHANISM

Alternating current (AC) current is used to transfer power directly into the water resulting in warm and cleaned water. Water passes through a core where electrodes are fitted.

The technology platform enables solutions ranging from 10 W to MW. Based on the power available in a household socket ex. 220 V 10 Amps the technology delivers 2,200 W effect into the water, with energy and water savings as a result. The current point of use unit has a maximum effect of 16 Amp 230 V.

The output of hot water is regulated based on the following variables:

- Watts available
- Flow
- Water conductivity
- Input temperature

The technology does not have issues/problems with:

- Limescale build up
- Overheating elements
- Kinetic loss/heat loss

The technology is superior/unique by:

- Its ability to disinfect water
- Work at low Watts
- Deliver instant hot water
- No delayed start
- Scalability in Watts
- No phase shifting

CONTROL SOLUTION

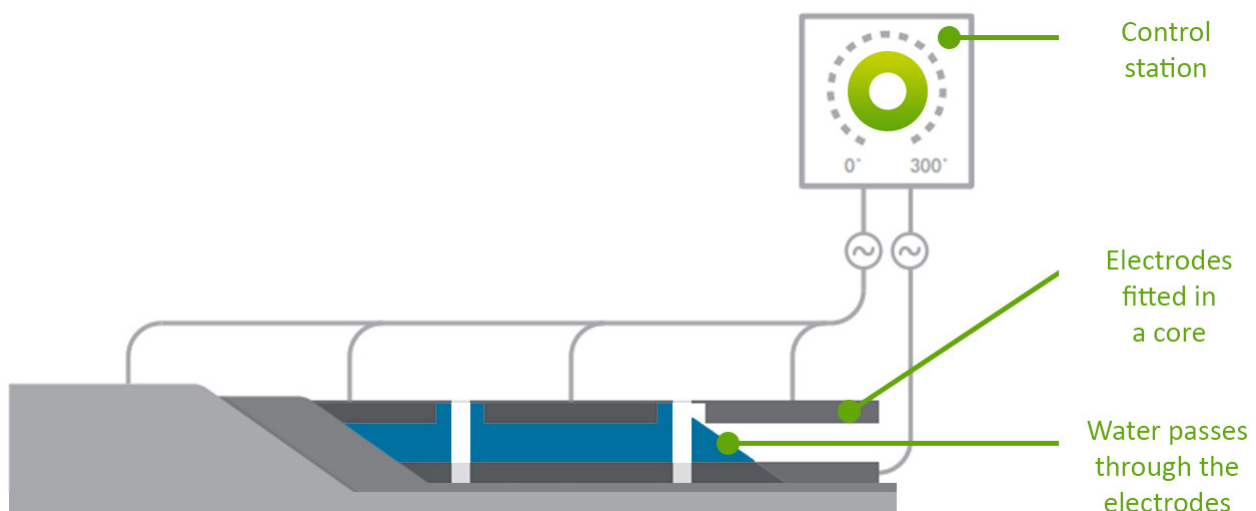
The technology demands a set of controls because of the need to set a maximum Watt effect because of the water's conductivity changes from location to location.

Research and extensive testing have resulted in a special electrode concept for scalability and precise temperature output.

SCALABILITY AND EFFICIENCY

Ariston thermo SpA, which is a global manufacturer of water heaters, have performed tests on the Waturu technology which proves that the input/output efficiency is 99.9%. This means that in any temperature range, flow situation, being a 1 phase, 2 phase or 3 phase solution the technology deliver at 99.9% energy efficiency.

The technology



The most complex part of the technology is to avoid limescale build up, resulting in electrodes unable to reach optimal performance The Company has accomplished this through the control solution.

The true advantages lie in no delayed start and no kinetic loss, and being able to create one product that can do multiple applications – lowest cost from a manufacturing perspective and with the added benefit that no heating element can break/burn compared to current technology, while delivering instant hot water, disinfection or both.

CLEANING ABILITY

The ability to kill bacteria has been documented several times in tests in Denmark and China on water from the Beijing River. The tests have shown that the technology can disinfect the water from bacteria among others:

- Legionella – present in hot water systems with thousands of illnesses in Europe each year.
- E-coli – present in cold and warm water, huge problem with more than 150,000 illnesses yearly, worldwide.
- Coliform bacteria – present in the temperature range of 20C–50C.
- Enterococcus – a human pathogen able to withstand 60C.

The process of disinfection with electricity using AC is not well known.

The water treatment unit is currently being tested at Hedensted Spildevand A/S with Eurofins Scientific Denmark, which is a water testing company based in Vojens (doing the sampling and analysis) for scalability for a range of needs, from cleaning wastewater from smaller companies, decentralized wastewater systems that pre-cleans the water before delivery into the public wastewater structure, to large volume solutions adapted for wastewater utilities' main volume drains.



Pre-production design

Selected financial information

Waturu's financial performance for the financial years 2017 and 2018 are presented below. The information is collected from the Company's audited financial statements for 2017 and 2018, which have been prepared in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class B, with an additional choice of rules relating to reporting class C, by BDO A/S.

Waturu holding A/S is the holding company for the subsidiaries Waturu ApS and Danish Medtech ApS as well as the IP rights - patent applications. The Net Revenue is listed in the annual report of the subsidiaries.

All annual reports from Waturu Holding A/S and Waturu ApS can be found at <https://www.waturu.dk/dokumenter>.

Consolidated income statement for Waturu Holding A/S

DKK '000	Full year	
	audited	
	2018	2017
Net revenue	0	57
Cost of sales	-87	-1
Gross loss	-87	56
Staff costs	-525	-177
Selling and distribution cost	-100	-23
Expenses relating to real property	-125	-4
Cost of cars	-19	0
Administrative expenses	-223	-84
Depreciation, amortisation and impairment losses	-41	-16
Operating loss	-1,119	-248
Result of equity investments in group and associates	0	0
Other financial income	1	0
Other financial expenses	-37	-44
Loss before tax	-1,155	-292
Tax on profit/loss for the year	256	64
Loss/profit for the year	-899	-228

Consolidated balance sheet for Waturu Holding A/S

DKK'000	Full year	
	<i>audited</i>	
	2018	2017
<i>Assets</i>		
Patent	156	0
Development projects in progress and prepayments	1,333	599
Intangible fixed assets	1,489	599
Other plant, machinery, tools and equipment	52	86
Tangible fixed assets	52	86
Equity investments in group enterprises	0	0
Rent deposit and other receivables	23	0
Fixed asset investments	23	0
Fixed assets	1,564	685
Work in progress	245	235
Inventories	245	235
Receivables from group enterprises	133	0
Deferred tax assets	122	8
Other receivables	114	2,035
Corporation tax receivable	164	132
Prepayments and accrued income	1	0
Receivables	534	2,175
Cash and cash equivalents	368	29
Current assets	1,148	2,439
Total assets	2,712	3,124
<i>Equity and liabilities</i>		
Share capital	98	96
Reserve for development costs	1,040	599
Retained earnings	781	1,623
Equity	1,919	2,318
Provision for deferred tax	89	67
Provision for liabilities	89	67
Promissory note	167	250
Long-term liabilities	167	250
Short-term portion of long-term liabilities	100	250
Trade payables	78	99
Payables to group enterprises	11	10
Payables to owners and management	26	3
Other liabilities	321	127
Current liabilities	536	489
Liabilities	704	739
Equity and liabilities	2,712	3,124

Consolidated cash flow statement for Waturu Holding A/S

DKK'000	Full year	
	<i>audited</i>	
	2018	2017
Profit/loss for the year	-899	-228
Reversed depreciation of the year	41	16
Profit/loss from subsidiaries	0	0
Reversed tax on profit/loss for the year	-256	-64
Change in inventory	-10	-189
Change in receivables	1,919	-2,017
Change in current liabilities (ex bank and tax)	197	165
Cash flows from operating activity	992	-2,317
Purchase of intangible fixed assets	-897	-599
Purchase of tangible fixed assets	0	-78
Purchase of financial assets	-23	0
Cash flows from investing activity	-920	-677
Proceeds from long-term borrowing	0	500
Repayments of loans	-233	0
Capital increase	500	2,500
Cash flows from financing activity	267	3,000
Change in cash and cash equivalents	339	6
Cash and cash equivalents at 1 January	29	23
Cash and cash equivalents at at 31 December	368	29

Comments on the selected financial information

All of the comments below relates to the year ended 31 December 2018 compared to the year ended 31 December 2017.

OPERATING RESULTS

Waturu's income statement for the fiscal year 2018 (1 January 2018 to 31 December 2018) shows a net loss of TDKK 899, against a net loss of TDKK 228 in the previous fiscal year.

Revenues decreased to TDKK 0 (TDKK 57), but Net revenue from the operating company Waturu ApS amounted to TDKK 400 in 2018 against TDKK 57 in 2017.

Cost of sales - administrative costs, has increased to TDKK 223 in 2018 (TDKK 83 in the fiscal year 2017). Other external costs increased to TDKK 285 (TDKK 43), mainly due to costs related to the Company's investment in new IP applications and lease costs of office space.

Personnel expenses amounted to TDKK 525 (TDKK 177) during the fiscal year.

In fiscal year 2018, Waturu recorded an operating loss of TDKK 1,119 against an operating loss of TDKK 247 in fiscal year 2017. Net financials amounted to TDKK -36 (-45) in the fiscal year 2018, mainly due to the interest on the debt.

ASSETS

As of 31 December 2018, the Company's total assets amounted to TDKK 2,712 (TDKK 3,124). The Company's fixed assets at the closing date were TDKK 1,564 (TDKK 685). Current assets at 31 December 2018 amounted to TDKK 1,148 million (TDKK 2,439). The Company had cash and cash equivalents of TDKK 368 (TDKK 29) at year-end. The company has non-capitalized deferred tax assets related to tax losses that can be carried forward indefinitely.

EQUITY AND LIABILITIES

As of 31 December 2018, Shareholders' equity amounted to TDKK 1,919 (TDKK 2,318). The decrease is attributable to the net loss for the year amounting to TDKK 899. Current liabilities of TDKK 536 (TDKK 489), mainly consist of trade and other payables (accrued holiday pay and VAT).

CASH FLOW

Cash flow from operating activities amounted to TDKK 992 (TDKK -2,317), mainly due to the change in receivables. Cash flow from investing activities for the fiscal year totaled TDKK -920 (TDKK -677). Cash flow from financing activities for the fiscal year was TDKK 267 (TDKK 3). The total net cash flow for the year that ended 31 December 2017 totaled TDKK 368 (TDKK 29).

CURRENT AND PLANNED INVESTMENTS.

Waturu has investments planned for the coming years, among others, in production facilities to support the Growth Plan. The investment in new production facilities will feature an automated production line capable of producing 250,000 units per year. The investment in the production facility is estimated to approximately DKK 5 million. In production mode, there will be running costs for staffing, production oversight and lease of factory property and additional investment.

Investments in patents and patent applications, organization and marketing are expected on an ongoing basis for each year. Investments in Danish Medtech is expected to a maximum amount of MDKK 2 until the company is spun off.

NON-CURRENT ASSETS

As of 31 December 2018, Waturu's Property, Plant and Equipment (PP&E) totaled TDKK 52, largely consisting of equipment and tools.

The Company's financial assets as of this date amounted to TDKK 2,575, mainly made up by receivables.

SIGNIFICANT EVENTS SINCE 31 DECEMBER 2018

Since 31 December 2018, no events have occurred which could materially change the assessment of the annual report.

TRENDS

Global climate improvement costs are constantly increasing, and Waturu's product solutions are an effective way to potentially limit the climate challenges in the market. Waturu expects this trend to continue and undertakes to further use products that can improve climate resources in both product developments and clinical studies for Danish Medtech ApS, to further highlight the cost-effectiveness of its patent-pending product solutions. The board of Waturu expects that this trend will continue for the foreseeable future rendering Waturu's product offerings important for years to come. To the best of the Board's knowledge, in addition to what is mentioned in the section "Risk Factors", no other known trends, uncertainties, potential claims or other demands, commitments or events are expected to have a material impact on the Company's future prospects. Nor is Waturu aware of any official, economic, fiscal, monetary or other political measures that, directly or indirectly, have had a significant impact, or that could materially impact the Company's operations.

Capitalization, indebtedness and other financial information

The tables in this section describe the Company's interest-bearing receivables and liabilities as of February 28, 2019. See section "Share capital and ownership structure" for further information about the Company's share capital and shares. The tables in this section should be read together with "Comments on the selected financial information" along with the Company's consolidated financial statements and accompanying notes which are incorporated in this Company Description by reference.

Since 28 February 2019, no events have occurred which could materially change the Company's financials other than a convertible loan arrangement with a principal of DKK 550,000 to Øster Land Invest ApS, current shareholder. See p. 66-67 "Convertible loan agreement with The Marschall Plan Holding ApS and Øster Land Invest ApS" for more information.

Shareholder's Equity and Liabilities

28 February 2019

	DKK
Sum current debt	603,613
Guaranteed	-
Secured	-
Unguaranteed/unsecured	603,613
Sum non-current debt	167,209
Guaranteed	-
Secured	167,209
Unguaranteed/unsecured	-
Shareholder's Equity	1,715,791
Share capital	400,000
Reserve for development costs	1,112,086
Retained earnings	203,705

Net indebtedness

28 February 2019

	DKK
(A) Cash	164,661
(B) Cash equivalents	-
(C) Trading securities	-
(D) Liquidity A + B + C	164,661
(E) Current financial receivables	3,810
(F) Current bank debt	-
(G) Current portion of non-current debt	-
(H) Other current financial debt	167,209
(I) Other current financial debt F + G + H	167,209
(J) Net current financial indebtedness I - E - D	-1,262
(K) Non-current bank loans	-
(L) Bonds issued	-
(M) Issued convertible debentures	-
(N) Other non-current financial debt	-
(O) Non-current financial indebtedness K + L + M + N	-

CAPITALIZATION (AS OF FEBRUARY 28, 2019)

As of February 28, 2019, Shareholder's equity in the Company amounted to TDKK 1,716 and interest-bearing debt amounted to TDKK 167.

NET INDEBTEDNESS (AS OF FEBRUARY 28, 2019)

As of February 28, 2019, the Company's cash and cash equivalents amounted to TDKK 165. The Company's debt as of February 28, 2019 was TDKK 604.

WORKING CAPITAL

According to the assessment by the Board of Directors, the working capital as per February 28, 2019 is insufficient for the capital need for the next twelve months. Given the current business plan, the Company estimates that the deficit in the working capital for the next twelve months amounts to around TDKK 6,000 excluding production setup cost which is to be financed through loan arrangement or leasing to secure maximum liquidity to support the Growth plan.

The working capital needs for the next twelve months is to be covered by the issue of new shares carried out in con-

nection with the Offering, which could provide the Company with a maximum of TDKK 17,750 before transaction costs. If the Offering is carried through, also at the minimum Offering, the Company will have sufficient working capital available for the Company's planned activities for at least twelve months after the first date of trading on Nasdaq First North Denmark. It is the Company's financial objective to be cash flow positive by the end of 2020, and the Company expects the funds from the Offering to finance its operations until it is profitable, also at the minimum level. However, if needed, the Company intends to finance its operations through external loan agreements or additional Offerings until it is profitable.

In the event that the Offering is not carried through, the Company will review its current business plan, and raise new equity through existing major shareholders and new investors.

RESTRICTIONS IN USE OF CAPITAL

To the best of the Company's knowledge, there are no restrictions regarding the use of capital that would materially affect the Company's operations.

*“... TO MEET THE NEEDS AND ASPIRATIONS OF
THE PRESENT WITHOUT COMPROMISING THE
ABILITY TO MEET THOSE OF THE FUTURE.” -
THE BRUNDTLAND-REPORT (1987)*

Board of Directors, senior executives, and auditors

BOARD OF DIRECTORS

The Company's Board of Directors currently consists of five (5) ordinary members, including the Chairman, without deputies. All Board members are elected for a term of one year and may be re-elected. The Board of Directors elects a chairman. In case of parity of votes, the chairman has the casting vote.

Business address of board members

The business address for the current members of the Board of Directors is Sjøllandsgade 32, 7100 Vejle, in the Municipality of Vejle, Denmark.

Name	Position	Member of the Board since	Independent in relation to	
			The Company and Management	Major shareholders*
Thomas Marschall	Chairman of the Board	2017	Yes	Yes
Bjørn K. Jensen	Board member	2017	Yes	Yes
Anders Skov	Board member	2016	Yes	Yes
Jes Nordentoft	Board member	2019	Yes	Yes
Toke Reedtz	Board member, CEO	2016	No	No

* Major shareholders refer to owners who directly, or indirectly, control 10 percent or more of the shares in the Company.



Thomas Marschall

Born in 1967. Chairman since 2019.

- **Training and experience:** Maersk Shipping Academy, Henley, Stanford/National University of Singapore, Singularity University. Worked in A. P. Møller/Maersk for 12 years heading 2 business units. Worked as CEO in Synkron A/S from 2000-2005. CEO of Precise Biometrics AB 2006-2013, The Marschall Plan Holding full time since 2014.
- **Current assignments:** Chairman of the Board in Sports Innovation A/S, CityLogistik Danmark A/S, MedVea Ivs, Waturu ApS and Danish MedTech ApS. Board member in Peter Marschall Design- og Arkitektfirma Aps, Marschall Invenco ApS and NanoCore ApS. Owner of The Marschall Plan Holding ApS.
- **Completed assignments (past five years):** -
- **Shareholding:** 652,500 shares through The Marschall Plan Holding ApS.



Bjørn K. Jensen

Born in 1951. Member of the Board since 2017.

- **Training and experience:** MSc Water microbiology. Bjørn Kaare Jensen is a former Deputy Director General of GEUS and, International director, Orbicon, Director of Emerging Markets, Deloitte, and RDI director of DHI. Before these engagements Ass. Professor in Microbiology and Groundwater at DTU. Danish National expert in the SC5 Programme Committee of Horizon 2020 until 2017, current Member of the Governing Board of the Water JPI and the Steering Group of the China Europe Water Platform.
- **Current assignments:** Partner and Chairman of the Board in Vin&Verden ApS. Partner in Greentech Services I/S. Board member and Vice President in European Water Association. Board member in Danish Water Forum and Waturu ApS. Riis Trading in Uganda.
- **Completed assignments (past five years):** Chairman of the Board in Danish Water Forum. Board member in Nordic technologies. Deputy Director General in the Geological Survey of Denmark and Greenland (GEUS). Partner in Le Cubi I/S.
- **Shareholding:** -



Toke Reedtz

Born in 1974. CEO, Founder and Board member since 2016.

- **Training and experience:** Banking education at Amagerbanken A/S. Financial background working at Amagerbanken A/S, Nykredit A/S, Swanloan A/S, Københavns Fondsbørs A/S, Nasdaq Copenhagen A/S.
- **Current assignments:** CEO and board member of Waturu ApS and Danish MedTech ApS. Owner of TM Invest and TM Venture ApS.
- **Completed assignments (past five years):** -
- **Shareholding:** 652,500 shares through TM Venture ApS.



Anders Skov

Born in 1979. Member of the Board since 2016.

- **Training and experience:** Cand.jur (candidatus juris, similar to Master of Laws). Anders Skov was admitted to the Danish Bar in 2009 and have worked as an attorney-at-law since, specializing in IP law since 2008.
- **Current assignments:** Board member in AS Advokatholdingselskab ApS, Otello Advokatanpartsselskab, Steel Shipping A/S and Waturu ApS.
- **Completed assignments (past five years):** -
- **Shareholding:** -



Jes Nordentoft

Born in 1978. Member of the Board since 2018.

- **Training and experience:** Commerce Degree (HHX), Seasoned business development executive with over 18 years of experience, including general management, supply chain, sales and marketing, business operations, and strategy. Full-time employment with Accelerace Management, which is an award winning consultancy company specializing in acceleration of startups, investment, and corporate innovation.
- **Current assignments:** Board member Inventilate Holding ApS, Kastberg Is ApS and Waturu ApS. Business Accelerator & Investment Manager Accelerace Management A/S and Owner Edgy.
- **Completed assignments (past five years):** Chairman Braci Holding ApS and Nordic Business Development Manager, Nestle SA.
- **Shareholding:** -

MANAGEMENT



Toke Reedtz*

Born in 1974. CEO, Founder and Board member since 2016.

- **Training and experience:** Banking education at Amagerbanken A/S. Financial background working at Amagerbanken A/S, Nykredit A/S, Swanloan A/S, Københavns Fondsbørs A/S, Nasdaq Copenhagen A/S.
- **Current assignments:** CEO and board member of Waturu ApS and Danish MedTech ApS. Owner of TM Invest and TM Venture ApS.
- **Completed assignments (past five years):** -
- **Shareholding:** 652,500 shares through TM Venture ApS.



Michael Baltzer Fløe Nørgaard*

Born in 1984. CFO since 2019.

- **Training and experience:** Bank education at Vorbasse Hejnsvig Sparekasse, HD(FR) from the University of Southern Denmark Kolding. Experience from the financial sector, Senior business adviser at Danske Bank A/S, Investment adviser at Grønlandsbanken A/S, Business customer manager Frøs Sparekasse, Pension, and Private Banking Manager at Jysk Pension A/S. Management, budget and sales experience from the position as Director and member of the regional management board of Alm. Brand Bank A/S in Syddanmark.
- **Current assignments:** -
- **Completed assignments (past five years):** -
- **Shareholding:** -

* Waturu is to a large extent dependent on a few key individuals considered to be the CEO and Co-founder Toke Reedtz, who is also the inventor of the technology, and the CFO Michael Nørgaard, who has been an important factor in closing the Company's sales agreement, and securing funding up to the initialization of the Offering, both are part of the executive management.

Statement on past records

During the past five years, no members of the Board of Directors or the Management have been (i) convicted of fraudulent offences or (ii) served as officer in any company that has entered into bankruptcy, receivership or liquidation or (iii) subject to any official public incriminations and/or sanctions by statutory or regulatory authorities (including designated professional bodies) or (iv) disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer.

Statement of conflict of interest

The Company is not aware of any family ties among the members of the Board of Directors or Management. The Company is not aware of any agreements other than an agreement with the CEO of Green Growth ApS (current owner), Henrik Clausen to join the Board of Directors in 2019, or understanding among major shareholders, customers, suppliers or others with respect to the election of members of the Board of Directors or appointment of Management. Henrik Clausen was former Executive Vice President, Private Banking in Sydbank and will help the Company to broaden the investor network, and help secure partnerships with potential OEM-segment distributors through international contacts.

No actual or potential conflict of interest exists between any duties of the members of the Board of Directors or Management towards the Company and these persons' private interests and/or duties to other persons.

REMUNERATION AND BENEFITS

The Company had since its formation in 2016 used a combination of fixed remuneration and variable remuneration and

share-based payments in the form of warrants as a supplement. The Company has adopted general guidelines for incentive payment of board members and managers in accordance with the Danish Companies Act § 139. During 2018, the members of the Board of Directors received an aggregate cash remuneration of DKK 15,000, paid to the chairman of the Board.

The Company has not granted any loans, issued any guarantees or made any other commitments in respect of the Board of Directors or any member thereof. No exceptional agreements, including agreements regarding extra bonus schemes, have been concluded between the Company and any member of the Board of Directors, and no member of the Board of Directors is entitled to any compensation upon termination of his or her term.

There are no amounts set aside or accrued by the Company to provide pension, retirement or similar benefits for members of the Board of Directors and the Company has no current obligations to do so.

For 2019, it has been decided that the Chairman, Thomas Marschall, will receive DKK 175,000, and the rest of Board members will receive DKK 75,000 each.

The aggregate cash remuneration to the current Management for 2018 totaled DKK 480,000, and represent basic salary paid to the CEO Toke Reedtz.

AUDITOR

The auditor shall review the Company's annual reports and accounting, as well as the management by the Board of Directors and the CEO. Following each fiscal year, the auditor shall submit an audit report and a consolidated audit report to the annual shareholders' meeting. The Company's auditor shall be a state authorized accountant or registered auditing firm.

Remuneration to Board of Directors and Management of Waturu Holding A/S during 2018

Name	Position during 2018	Fee (DKK)	Basic salary (DKK)	Pension (DKK)	Total (DKK)	Share based payment
<i>Board of Directors</i>						
David. P. Meyer	Chairman	15,000	-	-	15,000	-
Thomas Marschall	Board member	-	-	-	-	-
Bjørn Andersen	Board member	-	-	-	-	-
Bjørn K. Jensen	Board member	-	-	-	-	-
Anders Skov	Board member	-	-	-	-	-
Toke Reedtz	Board member, CEO	-	-	-	-	-
Sum		15,000	-	-	15,000	-
<i>Management*</i>						
Toke Reedtz	CEO	-	480,000	-	480,000	-
Sum		-	480,000	-	480,000	-
Total		15,000	480,000	-	630,000	-

* during the financial year 2018 only Toke Reedtz was a member of the management team

Waturus' auditor during the fiscal year 2018 and 2017 was Jesper Buch. Jesper Buch is State Authorised Public Accountant and member of FSR, from the auditing company BDO Statsautoriseret revisionsaktieselskab.

In the fiscal year 2018, the total compensation paid to the Company's auditing firm was DKK 20,000.

CURRENT EMPLOYMENT AGREEMENT FOR THE CEO

Waturu has entered into an employment agreement with the CEO Tøke Reedtz on 1 March 2018.

Remuneration

For 2019 the CEO is entitled to a fixed monthly salary of DKK 75,000 plus pension allowance and other benefits.

Competition

The CEO is obligated to refrain from participating in any competing activities.

Termination

The employment contract may be terminated by Waturu with 12 months written notice and by the CEO with 6 months notice.

THE RECOMMENDATIONS OF CORPORATE GOVERNANCE

There are currently no requirements for companies whose shares are admitted for trading on Nasdaq First North Denmark to comply with the "Recommendations of Corporate Governance". The Company will whenever the Company deems that it applies the value apply the principles for the Recommendations of Corporate Governance.

Waturu has no audit committee or remuneration committee. The Board of Directors resolves on the appointment and remuneration of the CEO and other senior executives.

BOARD PRACTICES

The Board of Directors are entrusted with the ultimate responsibility for the Company and the supervision of the Management. Board duties include establishing policies for strategy, accounting, organisation and finance, and the appointment of management. The articles of association stipulate that the Board of Directors be elected by the Company's shareholders at the annual general meeting and members are elected for one-year terms. Members may stand for re-election for successive terms.

The Board of Directors convenes regularly and conducts its business according to its rules of procedure. Regular board meetings include an in-depth report from Management to the Board of Directors regarding the Company's operations status and progress.

All board members are elected until the next annual general meeting. The board follows the rules of procedure and the board has issued management instructions that are updated at least once annually.

Description of procedures and internal control over financial reporting

The Board of Directors and the Management are ultimately responsible for the Company's risk management and internal controls in relation to its financial reporting, and approve the Company's general policies in that regard. The Management is responsible for the effectiveness of the internal controls and risk management and for the implementation of such controls aimed at mitigating the risk associated with the financial reporting.

The Company has internal control and financial reporting procedures aimed at enabling it to monitor its performance, operations, funding, and risk. While the Company continues in improving its procedures and internal control, including documentation of the internal control systems, the Company believes that its reporting and internal control systems enable it to be compliant with disclosure obligations applying to issuers of shares admitted to trading on Nasdaq First North Denmark.

Committees

The Board of Directors has not established any committees.

External audit

The Company's independent auditors are appointed for a term of one year by the shareholders at the Company's annual general meeting. The Board of Directors assesses the independence and competencies and other matters pertaining to the auditors. The framework for the auditors' compensation and duties, including audit and non-audit tasks, is agreed annually between the Board of Directors and the Company's auditors. The Company has regular dialogue and exchange of information with its auditors.

Incentive Guidelines

In accordance with section 139 of the Danish Companies Act, the Company's General Meeting has approved Incentive Guidelines.

The Incentive Guidelines lay down the principles governing remuneration of, and provides general guidelines for incentive pay to the members of the Board of Directors and Management as required under the Danish Companies Act.

The overall object of the Incentive Guidelines is to ensure alignment of interest between the Company and its Board of Directors, Management and shareholders, and with the object to maintain the motivation of the Board of Directors and Management for achieving the targets set by the Company.

The guidelines apply to incentive payments to members of the Board of Directors and Management in the Company and its subsidiaries.

Share capital and ownership structure

Set forth below is an overview of certain information concerning the share capital of the Company as well as a description of certain provisions of the articles of association and relevant provisions of the Danish Companies Act (in Danish: Selskabsloven). The overview includes certain references to and descriptions of material provisions of the Articles of association and Danish law in effect as of the Company Description Date. The overview should be read in conjunction with the full text of the Company's articles of association and in the context of applicable Danish law.

GENERAL INFORMATION

The Company's registered share capital as of the Company Description Date is nominal DKK 400,000 divided into 8,000,000 shares. Following completion of the Offering the share capital will amount to minimum nominal DKK 516,363.65 and maximum nominal DKK 529,090.9 if the Offering is fully subscribed.

The Shares are denominated in Danish kroner. The Shares are not divided into share classes and all Shares rank *pari passu* in respect of voting rights, pre-emption rights, redemption, conversion and restrictions or limitations according to the Articles of Association of eligibility to receive dividend or proceeds in the event of dissolution and liquidation. No Shares carry special rights. All Shares are issued and fully paid up and freely transferable. Each Share entitles its holder to one vote at General Meetings.

THE OFFER SHARES

Number of shares

If the Offering is subscribed at the maximum level (2,581,818 Offer Shares), the share capital will increase by DKK 129,090.9, from DKK 400,000 to DKK 529,090.9, divided into a total of 10,581,818 shares. The Offer Shares correspond to 24.4 percent of the share capital and votes in the Company following the issuance if the Offering is fully subscribed.

If the Offering is subscribed at the minimum level (2,327,273 Offer Shares), the share capital will increase by DKK 116,363.65, from DKK 400,000 to DKK 516,363.65, divided into a total of 10,327,273 shares.

Type and class of the Offer shares

The Company has one class of shares. All Shares have equal rights.

An application has been made for the Offer Shares and the Existing Shares to be admitted to trading on Nasdaq First North Denmark under the ISIN DK0061134780.

Governing law and jurisdiction

The Offer Shares will be issued in accordance with Danish law.

This Company Description has been prepared in compliance with the rules issued by Nasdaq First North.

Any dispute that may arise as a result of the Offering is subject to the exclusive jurisdiction of the Danish courts.

Currency

The Offer Shares are denominated in DKK.

Rights attached to the Offer Shares

Dividend rights and share of the Company's profits

All shares in the Company carry equal rights to dividends and share of the Company's profits. Each Offer Share entitles its holder to receive distributed dividends and will confer on the holder the right to receive dividends from the financial year 2019.

The Company has to this date not declared or paid any dividends, and the Company currently intends to retain all available financial resources and any earnings generated by the operations for use in the business and the Company does not anticipate paying any dividends in the foreseeable future. The payment of any dividends in the future will depend on a number of factors, including future earnings, capital requirements, financial condition and future prospects, applicable restrictions on the payment of dividends under Danish law and other factors that the Board of Directors may consider relevant.

The Company's dividends, if declared, are paid in DKK to the shareholder's account set up through VP Securities. There are no dividend restrictions or special procedures for non-resident holders of the Company's Shares. Dividends which have not been claimed within three years from the time they are payable are forfeited and all such dividends will accrue to the Company.

Voting rights

The Offer Shares are issued with a nominal value of DKK 0.05 each. Each Share gives the holder the right to one vote at the Company's General Meetings.

Dissolution and liquidation

In the event of dissolution and liquidation of the Company, the holders of Offer Shares will be entitled to participate in the distribution of assets in proportion to their nominal shareholdings after payment of the Company's creditors.

Resolutions, authorisations and approvals of the Offering

The decision to apply for the Offer Shares to be traded on Nasdaq First North Denmark and this Company Description, has been approved by the Board of Directors at a board meeting held on the Company Description Date, 26 April, 2019.

Negotiability and transferability of the Shares

The Offer Shares are negotiable instruments and no restrictions under Danish law will apply to the transferability of the Shares.

The Company's Articles of Association do not contain any transfer restrictions.

Pre-emption rights

Under Danish law, all shareholders have preemptive subscription rights in connection with capital increases carried out as cash contributions. An increase in the share capital can be resolved by the shareholders at a General Meeting or by the Board of Directors pursuant to an authorisation given by the shareholders. In connection with an increase of the Company's share capital, the shareholders may, by resolution at a General Meeting, approve deviations from the general Danish preemptive rights of the shareholders. Under the Danish Companies Act, such resolution must be adopted by the affirmative vote of shareholders holding at least a two-thirds majority of the votes cast and the share capital represented at a General Meeting. Furthermore, it is a prerequisite that the capital increase is subscribed for at market price. The Board of Directors are authorised to increase the Company's share capital in one or more issues at market price without pre-emptive rights to the shareholders.

The exercise of preemptive rights may be restricted for shareholders resident in certain jurisdictions.

Registration

The Offer Shares will be registered in book-entry form electronically with VP Securities, Weidekampsgade, 14, 2300 Copenhagen S, Denmark. All Offer Shares will be registered on accounts with account holding banks in VP Securities. Investors that are not residents of Denmark may use a VP Securities member directly or their own bank's correspondent

bank as their account holding bank or arrange for registration and settlement through Clearstream, 42 Avenue JF Kennedy, L-1855 Luxembourg, Luxembourg, or Euroclear, 1, Boulevard du Roi Albert II, B-1210 Brussels, Belgium.

The Company's register of shareholders is kept by VP Services A/S, Weidekampsgade 14, P.O. Box 4040, 2300 Copenhagen S, Denmark.

Pursuant to the Danish Companies Act, public and private limited liability companies are required to register with the Danish Business Authority information regarding shareholders who own at least 5 % of the share capital or the voting rights. Pursuant to this provision, the Company files registrations with the Public Owners' Register of the Danish Business Authority. Shareholders that exceed the ownership threshold must notify the Company and the Company will subsequently file the information with the Danish Business Authority. Reporting is further required upon reaching thresholds of 10%, 15%, 20%, 25%, 33 1/3%, 50%, 66 2/3%, 90% and 100%

TRADING ON NASDAQ FIRST NORTH DENMARK

The Board of Directors of Waturu has applied for the Company's shares to be admitted to trading on Nasdaq First North Denmark. Västra Hamnen Corporate Finance will act as the Certified Adviser for Waturu. The first day of trading is expected to be on 20 May, 2019, under the condition that sufficient number of shareholders and free float requirements for the Company's shares are met before the first day of trading.

SHARE CAPITAL DEVELOPMENT

As of the Company Description Date, the registered, authorized, fully paid, issued and outstanding share capital is nominal DKK 400,000, divided in shares of nominal DKK 0.05 each. The development of the share capital since the inception is set forth on the next page.

Share capital development for Waturu since the formation of the Company in 2016

Date	Event	Subscribers	Price per share before split	Shares		Share capital (DKK)	
				Change	Total	Change	Total
2016-06-10	Formation	Greentech Investor ApS*, TM Venture ApS**, The Marshall Plan Holding***	100.00	80,000	80,000	80,000	80,000
2017-09-26	Capital Increase	David P. Meyer****	118.76	4,210	84,210	4,210	84,210
2018-01-03	Capital increase	Øster Land Invest ApS*****	174.17	11,483	95,693	11,483	95,693
2018-05-04	Capital increase	Vendiaros Holding ApS*****	209.00	2,392	98,085	2,392	98,085
2019-02-01	Conversion	-	100.00	301,915	400,000	301,915	400,000
2019-02-07	Split 20:1 *****	-	-	7,600,000	8,000,000	-	400,000

* Owned by Merete Reedtz. Family ties to Toke Reedtz

** Toke Reedtz, CEO of Waturu Holding A/S

*** Thomas Marschall, Chairman in Waturu Holding A/S

**** Former Chairman of Waturu Holding A/S

***** Bjørn Andersen, Former CEO and owner of Noliac Group and Venture capitalist

***** Søren Hansen, Former CFO in Waturu Holding A/S

***** Before the split the Company had a share capital of DKK 400,000, divided in to 400,000 shares, each with a nominal value of DKK 1 per share.
After the split the Company has a share capital of DKK 400,000, divided in to 8,000,000 shares, each with a nominal value of DKK 0.05 per share.

OWNERSHIP STRUCTURE

The Company is, on the Company Description Date, owned by certain Danish professional investors. Also, members of the Board and staff members, as well as other external investors have invested in the Company. As of the date of this Company Description, the Company has seven shareholders. Three of the existing shareholders will subscribe for new Shares in the

Offering, amounting to 155,950 shares.

The table below describes Waturu's ownership structure before and immediately after the Offering. The Board of Directors of Waturu is not aware of any shareholder agreements, other agreements or similar agreements between the Company's shareholders aimed for joint influence over the Company.

Ownership structure Waturu Holding A/S

Shareholder**	Ownership before the Offering		Ownership after the Offering (minimum number of Offer Shares)		Ownership after the Offering (maximum number of Offer Shares)	
	Number of shares*	Percent	Number of shares	Percent	Number of shares	Percent
Greentech Investor ApS (Merete Reedtz)	4,902,480	61.28%	4,902,480	47.47%	4,902,480	46.33%
Øster Land Invest ApS (Bjørn Andersen, former Board member)	936,580	11.71%	1,016,580	9.84%	1,016,580	9.61%
TM Venture ApS (Toke Reedtz, CEO)	652,500	8.16%	688,864	6.67%	688,864	6.51%
The Marshall Plan Holding ApS (Thomas Marshall, Chairman)	652,500	8.16%	692,086	6.70%	692,086	6.54%
Green Growth ApS***	317,460	3.97%	317,460	3.07%	317,460	3.00%
Vendiaros Holding ApS (Søren Hansen, former CFO in Waturu Holding A/S)	269,240	3.37%	269,240	2.61%	269,240	2.54%
Neuhaugen & Co SA****	269,240	3.37%	269,240	2.61%	269,240	2.54%
Others	-	-	-	-	-	-
Sum	8,000,000	100.0%	8,155,950	78.97%	8,155,950	77.08%
New shareholders	-	-	2,171,323	21.03%	2,425,868	22.92%
Total	8,000,000	100.0%	10,327,273	100.0%	10,581,818	100.0%

* all shares have equal rights

** all companies mentioned above are 100% owned by the individual in the parentheses

*** Green Growth ApS, Bakkegårdsvej 21, 6340 Kruså, CVR. 40336923. No relationship to other owners in Waturu Holding A/S.

**** Neuhaugen & Co SA, 11 rue du Pont, L-8087 Bertrange, GD Luxembourg. No relationship to other owners in Waturu Holding A/S.

Legal considerations and supplementary information

LEGAL STRUCTURE

Waturu Holding A/S is a Danish public limited liability company which was founded 10 June 2016. The Company's registered office is in Vejle.

Pursuant to the articles of association, the object of the Company's business is to own shares in other companies as well as develop new technology within heated water treatment.

The Company's fully owned subsidiary, Waturu ApS, is a Danish private limited liability company which was founded 10 June 2016. Waturu ApS' registered office is in Vejle. Pursuant to the articles of association, the object of Waturu ApS is to conduct business related to heated water treatment products.

In addition to the ownership of Waturu ApS, the Company owns 90 per cent of the votes and the share capital in Danish Medtech ApS. The other 10 percent is owned by BelAir Medical ApS. Danish Medtech ApS is a Danish private limited liability company which was founded 3 July 2018 and does also have its offices in Vejle. Pursuant to the articles of association, the object of Danish Medtech is to own shares in other companies as well as develop new technologies for the treatment of diseases. The agreement governing the ownership of Danish Medtech is described below in the section Material Agreements.

COSTS RELATED TO THE OFFERING

The Company's costs associated with the admission to trading on Nasdaq First North Denmark and the Offering are expected to amount to DKK 1.70 - 1.85 million. Such costs primarily relate to costs for auditors, financial and legal advisers, and printing of the Company Description as well as costs related to management presentations and handling fees of 1/4th percent of the value of allocated Offer Shares, paid to account holding banks.

The gross proceeds from the issuance of Offer Shares are expected to amount to a minimum of DKK 16 million or to a maximum of DKK 17.75 million before expenses connected with the Offering.

SUBSCRIPTION UNDERTAKINGS

The Company has obtained subscription undertakings for a total of DKK 11,293,010 from Cornerstone Investors. Also, two existing shareholders (Øster Land Invest ApS and The Marschall Plan Holding ApS) have signed agreements for conversion of outstanding debt for a total of DKK 822,154 in share value, corresponding to 119,586 Shares. Both lenders will convert the loan to the Offer Price in the Offering with no dis-

Subscription undertakings and conversion of outstanding debt

Investor	Relationship to the Company	New capital (DKK) in share value	Number of shares	Conversion of debt (DKK)****	Number of shares
HEBO Danmark Holding ApS (Bonnik Nicolajsen Hansen)*	-	8,749,998.13	1,272,727	-	-
Belair Medical ApS (Peter Bjerring)**	Board member, Danish Medtech ApS	1,000,003.13	145,455	-	-
Øster Land Invest ApS (Bjørn Andersen)	Former Board member	-	-	550,000.00	80,000
Nikolas N. Koukountzos*	-	373,003.13	54,255	-	-
Peter Marschall Design- og arkitektfirma ApS***	-	299,997.50	43,636	-	-
The Marschall Plan Holding ApS (Thomas Marschall)	Chairman	-	-	272,153.75	39,586
TM Venture ApS (Tøke Reedtz)	CEO	250,002.50	36,364	-	-
Hans Rysgaard*	-	250,002.50	36,364	-	-
Pascalito Holding ApS (Anders Skov)	Board member	250,002.50	36,364	-	-
Barbier Holding ApS (Jens P. Rysgaard)*	-	200,000.63	29,091	-	-
KH Teknik A/S (Knud Henning Olesen)*	-	200,000.63	29,091	-	-
Egemose Holding ApS (Henrik Nielsen)*	-	200,000.63	29,091	-	-
Jes Nordentoft	Board member	99,996.88	14,545	-	-
Vin & Verden ApS (Bjørn Kaare Jensen)	Board member	50,001.88	7,273	-	-
Sum		11,923,010.00	1,734,256	822,153.75	119,586

* There is no relationship between the cornerstone investor and the Company, current owners, Management or Board of Directors.

** Belair Medical ApS (Peter Bjerring) is 10% owner of Danish Medtech ApS, Waturu Holding A/S is the majority owner of Danish Medtech ApS with 90%.

*** Peter Marschall Design- og arkitektfirma ApS, family related to The Marschall Plan Holding ApS, Thomas Marschall, Chairman Waturu Holding A/S.

**** Detailed information on "Conversion of debt" see page 67, section "Convertible loan agreement with The Marschall Plan Holding ApS and Øster Land Invest ApS".

count. Transaction cost (preparation of documents and fees) of DKK 50,000 is included in the conversion of outstanding debt by Øster Land Invest ApS. This amount also covers cost for extraordinary early release of liquidity to ensure reasonable overhead entering into the IPO process. The nominal amount, by which the share capital can be increased upon conversion, is calculated based on the size of the loan (including interest) divided by the Offer Price. The conversion of debt, which was raised in 2018 and Q1 2019, concerns funds already paid to the Company and thus will not form a part of the cash received from the Offering (i.e. cash proceeds). The conversion of outstanding debt to Shares in Waturu Holding A/S will be exercised at the same time as for all investors in the Offering. The Shares will be part of the Offering.

The subscription undertakings and conversion of outstanding debt amounts to a total of DKK 12,745,164 in share value, corresponding to approximately 71.80 percent of the maximum Offering and 79.66 percent of the minimum Offering.

The Cornerstone Investors will not receive any compensation for their respective undertakings and the Cornerstone Investors' investments are made on the same terms and conditions as for other investors in the Offering. The Cornerstone Investors' undertakings are not secured through a bank guarantee, blocked funds or pledge of collateral or similar arrangement.

LOCK UP AGREEMENT

In connection with the Offering, existing shareholders before the Offering have agreed to enter into lock up agreements with Västra Hamnen Corporate Finance, obligating the shareholders to not sell, offer for sale, enter into any agreement regarding the sale of, pledge or in any other way directly or indirectly transfer the shares in the Company or other securities exchangeable into shares in the Company or warrants or other options to acquire shares in the Company (together "Company Securities") or to announce the intention to make any such act without the prior written consent of Västra Hamnen Corporate Finance acting as Certified Adviser in the Offering (the "Lock Up Obligation"). Such consent may be granted if deemed reasonable and necessary due to specific matters, e.g. for tax reasons and is not to be unreasonably withheld or delayed by the Certified Adviser. The Lock Up Obligation extends from signing the agreement until the date falling 12 months after the first day of trading of the Company's Shares on Nasdaq First North Denmark. After the expiry of the Lock Up Obligation, the Shares may be offered for sale, which may affect the market price of the Share. The Lock Up Obligation includes all shares owned by the current shareholders.

MATERIAL AGREEMENTS

Aside from agreements entered into in connection with the Group's ordinary operations and/or described in this section, the Group is not part to agreements that (i) are or may have

material impact on the Group; or (ii) contain obligations or rights that have or may have material impact on the Group on the date of the Company Description.

Agreement with Saint-Gobain Distribution Denmark A/S

Waturu ApS has entered into a distribution agreement with Saint-Gobain Distribution Denmark A/S. This distribution agreement governs the terms of deliverance from the Group to Saint-Gobain Distribution. The distribution agreement contains provisions granting the Saint-Gobain-group exclusivity for flow-activated, decentralized and tankless water heaters aimed towards the plumbing and/or electricity segment in regards of kitchen and/or bathrooms, provided that certain conditions are met and Saint-Gobain operates in the relevant geographical area. The exclusivity ensures commitment from both parties and Saint-Gobain is entitled to a success fee of DKK 25,000 when presenting Waturu to new geographical markets within Saint-Gobain Group.

The agreement ensure a minimum order and Saint-Gobain has estimated total sales of 25,000 units over the next three years. The exclusivity is based on a minimum order the first year of 5,000 units increasing to 12,000 unit in year 3. The Company has committed to marketing cost of DKK 400,000 per year for the Danish market.

The distribution agreement does not have a fixed termination date and the terms and conditions contain provisions ensuring each of the parties the possibility of terminating the agreement with 3 months' notice.

Agreement with FM Mattsson Mora Group

Waturu Holding A/S has entered into an LOI (Letter of intent) with FM Mattsson Mora Group regarding FM Mattsson Mora Group's possible development, manufacture and distribution of OEM products utilizing the Waturu technology.

If FM Mattsson Mora Group is satisfied with the results obtained in a test period this can potentially lead to definitive agreement which will contain the terms and conditions for the cooperation, including minimum sales volumes FM Mattsson Mora Group have to meet to uphold exclusivity on certain products or geographical areas.

The definitive agreement could contain several different product groups where FM Mattsson Mora Group is conducting business, which could lead to substantial sales.

The LOI will terminate automatically if not extended after 31.12.2019 or replaced by a definitive agreement. Until the expiration of the LOI the Company will refrain from entering into discussions with other parties developing products competing with FM Mattsson Mora Group's products.

Agreement with Converdan A/S

Waturu ApS has entered into an agreement with Converdan A/S in which the parties agree that Converdan A/S produces and delivers printed circuit board to Waturu ApS as well as

develops the printed circuit boards.

The agreement terminates 1 January 2020, unless the parties decide to prolong the agreement. The agreement may be terminated with three months' notice. The agreement include a clause that secures market conform pricing, where Waturu has the possibility to negotiate pricing.

Furthermore the agreement secures that all development belongs to Waturu.

Agreement with Bel-Air Medical regarding the ownership of Danish Medtech ApS

The management consist of CEO, Toke Reedtz and the Board of Directors include Thomas H. Marschall as chairman and Peter Bjerring and Toke Reedtz as board members. Belair Medical ApS owns 10 % of the shares in Danish Medtech ApS. Waturu Holding A/S owns the remaining 90 % of the shares.

Danish Medtech ApS shall act as development and operational company for sales of the Company's technology within medical use, such as treatment of skin diseases and other diseases.

It is agreed that Danish Medtech ApS shall acquire the technology from the Company for net prices plus 7.5 percent.

The owners of Danish Medtech ApS has entered into an ownership agreement containing a provision hindering the shareholders of Danish Medtech ApS to transfer or sell their shares without the prior written approval of the board of directors of Danish Medtech ApS. This is done to ensure that Belair Medical ApS can not sell shares to external parties without prior approval from the Board of Directors.

Convertible loan agreement with The Marschall Plan Holding ApS and Øster Land Invest ApS

On December 31, 2018, the Company, as borrower, and chairman of the board Thomas Høgh Marschall, as a lender, through The Marschall Plan Holding ApS, entered into a convertible loan agreement with the Company. The loan amount was DKK 267,209. The loan is a bullet loan free of amortization until it falls due in its entirety on December 31, 2022. The loan holds a simple annual interest rate of 10 percent per annum which accrues and falls due at the maturity date. Neither the lender nor the Company may transfer, assign or pledge rights and obligations under the loan agreement. The loan is non-terminable for both the Company and the lender except due to breach. Furthermore, Øster Land Invest ApS as a lender, entered into a convertible loan agreement with the Company. The loan amount is DKK 550,000. The loan is a bullet loan free of amortization until it falls due in its entirety on July 31, 2019. The loan holds a simple annual interest rate of 0.01 percent per annum which accrues and falls due at the maturity date.

Neither the lender nor the Company may transfer, assign or

pledge rights and obligations under the loan agreement. The loan is non-terminable for both the Company and the lender except due to breach.

Both lenders have signed and informed the Company that the lenders will convert the loan to the Offer Price in the Offering with no discount. Transaction cost (preparation of documents and fees) of DKK 50,000 is included in the conversion of outstanding debt by Øster Land Invest ApS. This amount also covers cost for extraordinary early release of liquidity to ensure reasonable overhead entering into the IPO process. The nominal amount, by which the share capital can be increased upon conversion, is calculated based on the size of the loan (including interest) divided by the Offer Price. The shares will be of the same share class as the Offer Shares. The convertible loan amount will in total convert to 119,586 Shares.

PATENTS, TRADEMARKS AND INTELLECTUAL PROPERTY RIGHTS

Reference is made to the section "WATURU PROPRIETARY RIGHTS" under "Company Overview" in regards to patents.

The Company has applied for a trademark for the name "WATURU" for EU. The Group has registered the following internet domain names: waturu.com, waturu.dk, danishmedtech.com and danishmedtech.dk.

The Group owns intellectual property rights beyond the pending patent applications, but with the exceptions of the pending patents, the Group does not assess these intellectual property rights to be material to the operations of the Group. Intellectual property rights could be knowledge about production or material handling.

The Group makes use of standard software from third parties and is not beyond this dependent on other licenses. The Group makes use of open source software in its daily operations. This software is used with respect to the terms of the respective software license and the Group's use of such open source software does not surpass what is deemed ordinary for the similar companies within the industry.

ENVIRONMENT

The Company's business is not subject to reporting of environmental issues.

LITIGATION AND ARBITRATION

Waturu has not been involved in any legal or arbitration proceedings (including pending cases or cases which the Board of Directors of Waturu are aware may arise), during the last twelve months, and which have recently had or could in the future have a significant impact on the financial position or profitability of Waturu.

INSURANCE

The Company holds customary insurance protection, including insurance for equipment (fire, theft, break-in, and entering), management and Board of Directors insurance, health insurance for employees, accident insurance and travel insurance. Furthermore, the Company has signed a product insurance protection. According to the Board's assessment, the current insurance coverage, including the level and terms of this insurance, provides adequate protection taking the insurance premiums and the potential risks of the business into account. However, the Company cannot provide any assurance that losses will not occur or that claims will not be made that exceed the scope of the current insurance coverage.

Waturu Holding A/S and Waturu ApS use Købstædernes Forsikring as insurance company.

ADVISERS TO THE COMPANY

Financial adviser to the Company in connection with the Offering is Västra Hamnen Corporate Finance AB. Danske Bank acts as settlement and issuing agent. Nordnet acts as Selling Agent. Legal adviser is Bird & Bird.

POSSIBLE CONFLICTS OF INTEREST

Västra Hamnen Corporate Finance and Nordnet have an agreed in advance compensation for their services in connection with the Offering. In addition to that, there is no financial or other relevant interest in the Offering.

Existing shareholders and external investors have through irrevocable subscription undertakings guaranteed in the Offering to subscribe for 1,853,842 Offer Shares corresponding to an aggregate subscription amount of DKK 12.7 million. Apart from these investors' interest in the Offering, there are no financial or other interests in the Offering.

Other than the above parties' interest that the Offering can be successfully carried through, there are no financial or other interests in the Offering.

CERTIFIED ADVISER

Waturu has appointed Västra Hamnen Corporate Finance as Certified Adviser on Nasdaq First North Denmark. Västra Hamnen Corporate Finance owns no shares in the Company.

DOCUMENTS AVAILABLE FOR INSPECTION

The following documents will be available in electronic form at the Company's website www.waturu.com/investors. Copies of the documents are also available at the Company's headquarters at Sjøllandsgade 32, 7100 Vejle, Denmark.

- The Articles of Association for Waturu Holding A/S.
- Waturu Holding A/S' Annual report for 2018.
- Waturu ApS' Annual report for 2018.
- This Company Description.

DOCUMENTS INCORPORATED BY REFERENCE

The section of Waturu's annual report for the financial year 2018 and 2017, which are referred to in accordance with the following, form part of this Company Description and should be read as such. The historical financial information, notes and audit report for these accounting periods can be found in Waturu's annual report for the financial year 2018, where reference is made to pages 6-8 and 10-24. The sections of the financial report not referred to, do not contain information relevant to the investors or correspond to the information set out elsewhere in this Company Description. The annual report for 2018 have been audited by the Company's auditors BDO and the audit reports are attached to the annual reports. In addition to Waturu's audited annual reports, none of the information in this Company Description has been audited or reviewed by the Company's auditors.

MARKET INFORMATION

This Company Description contains certain historic and forward-looking market information. Certain information originates from third parties. Although the information has been accurately reproduced, and the Company considers the sources to be reliable, the Company has not independently verified this information, and therefore its accuracy and completeness cannot be guaranteed. As far as the Company is aware of and can ascertain by comparison with other information published by these sources, no details have been omitted in a manner that would render the reproduced information inaccurate or misleading.

If no source of information is stated, the information is produced by the Company itself.

Danish tax considerations

The following discussion describes the material Danish tax consequences under present law of an investment in our shares). The summary is for general information only and does not purport to constitute exhaustive tax or legal advice. It is specifically noted that the summary does not address all possible tax consequences relating to an investment in the shares. The summary is based solely on the tax laws of Denmark in effect on the date of this Company Description supplement. Danish tax laws may be subject to change, possibly with retroactive effect.

The summary does not cover investors to whom special tax rules apply, and, therefore, may not be relevant, for example, to investors subject to the Danish Tax on Pension Yields Act (i.e., pension savings), professional investors, certain institutional investors, insurance companies, pension companies, banks, stockbrokers and investors with tax liability on return on pension investments.

The summary does not cover taxation of individuals and companies who carry on a business of purchasing and selling shares. The summary only sets out the tax position of the direct owners of the shares and further assumes that the direct investors are the beneficial owners of the shares and any dividends thereon. Sales are assumed to be sales to a third party.

Potential investors in the shares are advised to consult their tax advisers regarding the applicable tax consequences of acquiring, holding and disposing of the shares based on their particular circumstances.

Investors who may be affected by the tax laws of other jurisdictions should consult their tax advisers with respect to the tax consequences applicable to their particular circumstances as such consequences may differ significantly from those described herein.

TAXATION OF DANISH TAX RESIDENT HOLDERS OF THE SHARES

Sale of the shares (individuals)

Gains from the sale of shares are taxed as share income at a rate of 27% on the first DKK 54,000 (for cohabiting spouses, a total of DKK 108,000) and at a rate of 42% on share income exceeding DKK 54,000 (for cohabiting spouses over DKK 108,000). All figures are shown as of 2019 but may be subject to changes. Such amounts are subject to annual adjustments and include all share income (i.e., all capital gains and dividends derived by the individual or cohabiting spouses, respectively). Gains and losses on the sale of shares are calculated as the difference between the purchase price and the sales price. The purchase price is based on the average purchase price paid for shares in the company (i.e., not the purchase price for each share).

Losses on non-listed shares may be offset against other share income, (i.e., received dividends and capital gains on the sale of shares). Unused losses will automatically be offset against a cohabiting spouse's share income. In case the share income becomes negative, a negative tax on the share income will be calculated and offset against the individual's other final taxes. Unused negative tax on share income will be offset against a cohabiting spouse's final taxes. If the negative tax on share income cannot be offset against a cohabiting spouse's final taxes, the negative tax can be carried forward indefinitely and offset against future year's taxes.

Losses on the sale of listed shares can only be offset against other share income deriving from listed shares (i.e., dividends and capital gains on the sale of listed shares). Unused losses will automatically be offset against a cohabiting spouse's share income deriving from listed shares, and any additional losses can be carried forward and offset against future share income deriving from listed shares.

Sale of the shares (companies)

For the purpose of taxation of sales of shares made by shareholders (Companies), a distinction is made between Subsidiary Shares, Group Shares, Tax-Exempt Portfolio Shares and Taxable Portfolio Shares (note that the ownership threshold described below is applied on the basis of the number of all shares issued by the company, and not on the basis of the number of the shares issued):

"Subsidiary Shares" is generally defined as shares owned by a shareholder holding at least 10% of the nominal share capital of the issuing company.

"Group Shares" is generally defined as shares in a company in which the shareholder of the company and the issuing company are subject to Danish joint taxation or fulfil the requirements for international joint taxation under Danish law (i.e., the company is controlled by the shareholder).

"Tax-Exempt Portfolio Shares" is generally defined as shares not admitted to trading on a regulated market owned by a shareholder holding less than 10% of the nominal share capital of the issuing company.

"Taxable Portfolio Shares" is defined as shares that do not qualify as Subsidiary Shares, Group Shares or Tax-Exempt Portfolio Shares.

Gains or losses on disposal of Subsidiary Shares and Group Shares and Tax-Exempt Portfolio Shares are not included in the taxable income of the shareholder, subject to certain anti-avoidance rules.

Special rules apply with respect to Subsidiary Shares and Group Shares in order to prevent exemption through certain holding company structures just as other anti-avoidance rules may apply. These rules will not be described in further detail.

Capital gains from the sale of Taxable Portfolio Shares

admitted to trading on a regulated market are taxable at a rate of 22% irrespective of ownership period. Losses on such shares are generally deductible. Gains and losses on Taxable Portfolio Shares admitted to trading on a regulated market are taxable according to the mark-to-market principle (in Danish "lager-princippet").

According to the mark-to-market principle, each year's taxable gain or loss on Taxable Portfolio Shares is calculated as the difference between the market value of the shares at the beginning and end of the tax year. Thus, taxation will take place on an accrual basis even if no shares have been disposed of and no gains or losses have been realized.

If the Taxable Portfolio Shares are sold or otherwise disposed of before the end of the income year, the taxable income of that income year equals the difference between the value of the Taxable Portfolio Shares at the beginning of the income year and the value of the Taxable Portfolio Shares at realization. If the Taxable Portfolio Shares are acquired and realized in the same income year, the taxable income equals the difference between the acquisition sum and the realization sum. If the Taxable Portfolio Shares are acquired in the income year and not realized in the same income year, the taxable income equals the difference between the acquisition sum and the value of the shares at the end of the income years.

A change of status from Subsidiary Shares/Group Shares/Tax-Exempt Portfolio Shares to Taxable Portfolio Shares (or vice versa) is for tax purposes deemed to be a disposal of the shares and a reacquisition of the shares at market value at the time of change of status.

Special transitional rules apply with respect to the right to offset capital losses realized by the end of the 2009 income year against taxable gains on shares in the 2010 income year or later.

Dividends (individuals)

Dividends paid to individuals who are tax residents of Denmark are taxed as share income, as described above. All share income must be included when calculating whether the amounts mentioned above are exceeded. Dividends paid to individuals are generally subject to 27% withholding tax.

Dividends (companies)

Dividends paid on both Tax-Exempt and Taxable Portfolio Shares are subject to the standard corporation tax rate of 22% irrespective of ownership period. However, only 70% of dividends paid on Tax-Exempt Portfolio Shares are subject to income taxation meaning the effective tax rate on dividends on Tax-Exempt Portfolio Shares is reduced to 15.4%.

Dividends received on Subsidiary Shares and Group Shares are tax-exempt irrespective of ownership period.

TAXATION OF SHAREHOLDERS RESIDING OUTSIDE DENMARK

Sale of the shares (individuals and companies)

Holders of the shares not resident in Denmark are normally not subject to Danish taxation on any gains realized on the sale of shares, irrespective of the ownership period, subject to certain anti-avoidance rules seeking to prevent that taxable dividend payments are converted to tax exempt capital gains. If an investor holds the shares in connection with a trade or business conducted from a permanent establishment in Denmark, gains on shares may be included in the taxable income of such activities pursuant to the rules applying to Danish tax residents as described above.

Dividends (individuals)

Under Danish law, dividends paid in respect of shares are generally subject to Danish withholding tax at a rate of 27%. Non-residents of Denmark are not subject to additional Danish income tax in respect to dividends received on shares.

If the withholding tax rate applied is higher than the applicable final tax rate for the shareholder, a request for a refund of Danish tax in excess thereof can be made by the shareholder in the following situations:

Double taxation treaty

In the event that the shareholder is a resident of a state with which Denmark has entered into a double taxation treaty, the shareholder may generally, through certain certification procedures, seek a refund from the Danish tax authorities of the tax withheld in excess of the applicable treaty rate, which is typically 15%. Denmark has entered into tax treaties with approximately 80 countries, including the United States, Switzerland and almost all members of the European Union. The treaty between Denmark and the United States generally provides for a 15% tax rate.

Credit under Danish tax law

If the shareholder holds less than 10% of the nominal share capital (in the form of ordinary shares in the company and not on the basis of the number of the shares issued) of the company and the shareholder is tax resident in a state which has a double tax treaty or an international agreement, convention or other administrative agreement on assistance in tax matters according to which the competent authority in the state of the shareholder is obligated to exchange information with Denmark, dividends are subject to tax at a rate of 15%. If the shareholder is tax resident outside the European Union, it is an additional requirement for eligibility for the 15% tax rate that the shareholder together with related shareholders holds less than 10% of the nominal share capital of the company. Note

that the reduced tax rate does not affect the withholding rate, why the shareholder must also claim a refund as described above in order to benefit from the reduced rate.

Where a non-resident of Denmark holds shares which can be attributed to a permanent establishment in Denmark, dividends are taxable pursuant to the rules applying to Danish tax residents described above.

Dividends (companies)

Dividends from Subsidiary Shares are exempt from Danish withholding tax provided the taxation of the dividends is to be waived or reduced in accordance with the Parent-Subsidiary Directive (2011/96/EEC) or in accordance with a tax treaty with the jurisdiction in which the company investor is resident. If Denmark is to reduce taxation of dividends to a foreign company under a tax treaty, Denmark will not—as a matter of domestic law—exercise such right and will in general not impose any tax at all. Further, dividends from Group Shares—not also being Subsidiary Shares—are exempt from Danish withholding tax provided the company investor is a resident of the European Union or the EEA and provided the taxation of dividends should have been waived or reduced in accordance with the Parent-Subsidiary Directive (2011/96/EEC) or in accordance with a tax treaty with the country in which the company investor is resident had the shares been

Subsidiary Shares.

Dividend payments on both Tax-Exempt and Taxable Portfolio Shares will generally be subject to withholding tax at a rate of 27% irrespective of ownership period. If the withholding tax rate applied is higher than the applicable final tax rate for the shareholder, a request for a refund of Danish tax in excess hereof can be made by the shareholder in the following situations:

Double taxation treaty

In the event that the shareholder is a resident of a state with which Denmark has entered into a double taxation treaty, the shareholder may generally, through certain certification procedures, seek a refund from the Danish tax authorities of the tax withheld in excess of the applicable treaty rate, which is typically 15%. Denmark has entered into tax treaties with approximately 80 countries, including the United States and almost all members of the European Union. The treaty between Denmark and the United States generally provides for a 15% rate.

Credit under Danish tax law

If the shareholder holds less than 10% of the nominal share capital in the company and the shareholder is resident in a jurisdiction with which Denmark has a double taxation treaty or an international agreement, convention or other administrative agreement on assistance in tax according to which the competent authority in the state of the shareholder is obligated to exchange information with Denmark, dividends are generally subject to a tax rate of 15%. If the shareholder is tax resident outside the European Union, it is an additional requirement for eligibility for the 15% tax rate that the shareholder together with related shareholders holds less than 10% of the nominal share capital of the company. Note that the reduced tax rate does not affect the withholding rate, hence, in this situation the shareholder must also in this situation claim a refund as described above in order to benefit from the reduced rate. Where a non-resident company of Denmark holds shares which can be attributed to a permanent establishment in Denmark, dividends are taxable pursuant to the rules applying to Danish tax residents described above.

Share transfer tax and stamp duties

No Danish share transfer tax or stamp duties are payable on the transfer of the shares.

Articles of association

This English articles of association is an unofficial translation of the original Danish text. In the event of disputes or misunderstandings arising from the interpretation of the translation, the Danish language shall prevail.

Thus adopted at the extraordinary general meeting of the company on February 7, 2019.

1. NAME AND OBJECT

- 1.1 The company's name is Waturu Holding A/S.
- 1.2 The object of the company is to own shares in other companies and to develop new technologies within water heating treatment.

2. CAPITAL OF THE COMPANY

- 2.1 The company's share capital amounts to nominally DKK 400,000.
- 2.2 The share capital is divided into shares of DKK 0.05 or a multiple thereof.
- 2.3 The share capital has been paid up in full.
- 2.4 All shares shall be issued in the name of the holder and shall be registered in the company's register of shareholders. The shareholders' register shall be kept by VP Securities A/S, CVR-no.: 21 59 93 36.
- 2.5 The shares are negotiable instruments. No limitations of the transferability of the shares apply.
- 2.6 No shares have special rights. No shareholder is obliged to be redeemed in part or in full by the company or by a third party.
- 2.7 The shares shall be issued in dematerialized form and be registered with VP Securities A/S, CVR-no. 21 59 93 36. Dividend is paid through VP Securities A/S.
- 2.8 Rights over the shares shall be notified to VP Securities A/S in accordance with applicable rules.

3. AUTHORIZATION TO ISSUE SHARES AND WARRANTS

- 3.1 The board of directors is until 31 December 2019 authorized to without preemption rights for the company's shareholders, in one or several rounds, to increase the share capital of the company with an amount of up to nominally DKK 160,000. The new shares shall be subscribed at market price, which shall be determined by the board of directors. The subscription payment shall be made by cash. Other terms for the increase shall be determined by the board of directors.
- 3.2 The board of directors is until 31 December 2019 authorized to without preemption rights for the company's shareholders, in one or several rounds, to increase the share capital of the company with an amount of up to nominally DKK 20,000. The new shares shall be subscribed at market price, which shall be determined by the board of directors. The subscription shall be made by conversion of debt. Other terms for the increase shall be determined by the board of directors.
- 3.3 The new shares issued pursuant to clause 3.1 or 3.2 are to be fully paid, issued in the name of the holder and shall be registered in the company's register of shareholders, and shall in every aspect have the same rights as the existing shares. New shares give rights to dividends and other rights from the date of the capital increases' registration with the Danish Business Authority. The board of directors is authorized to determine the terms of the above mentioned capital increases and to carry out the amendments of the company's articles of association that are necessary pursuant to the board of director's execution of these authorizations.

- 3.4 The board of directors is until 31 December 2020, in one or several rounds, authorized to issue up to 1,000,000 warrants, granting rights to subscription of up to 1,000,000 shares of DKK 0.05 (a total of nominally DKK 50,000) by payment of cash. Warrants may be issued to the employees in the Waturu group on the terms and conditions that the board of directors determines, including in regards of the subscription price, which may be lower than the market price, granting and vesting terms as well as exercise conditions and exercise periods etc. The board of directors is also authorized to, in one or several rounds, to increase the share capital of the company in connection with the issue of new shares, subscribed by the warrant holders exercising their warrants. The new shares are to be fully paid, issued in the name of the holder and shall in every aspect have the same rights as the existing shares.
- 3.5 The existing shareholders of the company shall not have preemptive right as the board of directors exercises its authorization in connection with issuance of warrants or in connection with the warrant holders' exercise of the warrants issued pursuant to this authorization.
- 3.6 Further, the authorization covers the right of the board of directors to according to the applicable rules in the companies act to reuse or reissue any lapsed nonexercised warrants, provided that such reuse or reissue is effected within the time frame and on the terms stipulated by the authorization. Reissue means that it is possible for the board of directors within the same authorization, to reissue warrants to substitute already issued warrants, which have lapsed.

4. GENERAL MEETINGS

- 4.1 The general meeting has the supreme power in all affairs of the company.
- 4.2 General meetings shall be held at the municipality of the company or in the capital region of Denmark.
- 4.3 The annual general meeting shall be held each year in such time that the audited and approved annual report may be submitted to the Danish Business Authority before the expiry of the deadline in the accounting act. Extraordinary general meetings shall be held when the board of directors or the auditor of the company finds it appropriate or such meeting is requested by one or several shareholders holding a minimum of 5 % of the share capital. A request from the shareholders shall be in writing. Notice of extraordinary general meetings shall be given within 2 weeks after receipt of such request.
- 4.4 The general meeting shall be convened by the board of directors. Notice to general meetings shall be notified with at least 2 weeks' and no more than 4 weeks' notice and take place via the company's webpage and in writing by e-mail to the shareholders who have requested to be so notified.
- 4.5 No later than 2 weeks before the general meeting, the agenda and proposals in full, and in the case of the ordinary general meeting, also an audited annual report, shall be made available for the shareholders' review.
- 4.6 The matters on a general meeting are led by a chairman elected by the board of directors. The chairman must ensure that the general meeting is executed responsible and appropriate. The chairman has the necessary powers to ensure this, including the powers to organize the discussions, voting themes and to decide when a discussion is to be deemed completed and closed, debar contributions and if deemed necessary expel participants from the general meeting. The discussions carried out on the general meeting shall be inserted in minutes that are signed by the chairman. All decisions must be inserted in these minutes.

- 4.7 The notice shall also as a minimum contain: a. a description of the size of the share capital and the shareholders' voting rights; b. a precise description of the procedures necessary for the shareholder to comply with to be able to participate and vote on the general meeting; c. the registration date with the information that only person that on this date are shareholders have the right to participate and vote on the general meeting; d. information on where the complete text and documents to be presented on the general meeting, the agenda and the complete proposals can be found.
- 4.8 The agenda of the annual general meeting shall include the following items:
- The report of the board of directors on the company's activities during the past financial year
 - Approval of the annual report
 - Allocation of profits or balancing of a deficit in accordance with the approved annual report
 - Approval of compensation for the board members for the financial year
 - Election of members to the board of directors
 - Election of auditor
 - Any other business
- 4.9 A shareholder's right to partake in a general meeting and to vote shall be determined on the basis of the shares, which the shareholder possesses on the registration date. The registration date is one week prior to the general meeting. A shareholder's shareholding and voting rights shall be made up as of the registration date on the basis of the entry of the shareholder's ownership on the shareholders' register and any notices of ownership, which the company has received for entry in the shareholders' register.
- 4.10 A shareholder that has the right to participate in general meetings in accordance with the above, and that wishes to participate in the general meeting, must at the latest three days before the general meeting apply for an entry pass.
- 4.11 A shareholder may partake in person or through proxy.
- 4.12 Voting power can be exercised pursuant to a written and dated proxy in accordance with the applicable legislation.
- 4.13 A shareholder that has the right to participate in general meetings may vote by letter. Letter votes shall be received by the company not later than the last weekday before the general meeting. Letter votes may not be revoked.
- 4.14 At the general meeting each share amount of DKK 0.05 is one vote.
- 4.15 All resolutions proposed at the general meeting shall, unless otherwise required under mandatory provisions or subject to these articles, be passed by simple majority of votes.
- 5. BOARD AND MANAGEMENT**
- 5.1 The company shall be managed by a board of directors elected by the shareholders for one year at the time. Re-election is permitted. The board elects the chairman of the board.
- 5.2 The board of directors is competent to transact business when more than half of the board members, including the chairman of the board, are represented.
- 5.3 All resolutions shall be passed by simple majority of votes. In case of equal amount of votes, then the chairman's vote shall be decisive.
- 5.4 The board of directors has the overall responsibility for the affairs of the company.
- 5.5 The board of directors employs 1-3 managers to be responsible for the daily operations and management of the company.
- 6. ELECTRONIC COMMUNICATION**
- 6.1 The Company uses electronic document interchange and electronic mail (electronic communication) in its communication with its shareholders. Furthermore, the Company may at any time choose to communicate by ordinary mail.
- 6.2 Electronic communication may be used by the company for all information and documents which under the company's articles of association and/or the companies act must be exchanged between the company and its shareholders, including, for instance, notice of the annual and extraordinary general meeting with agendas and absolute motions, proxies and other general information from the company to its shareholders. Such documents and information are published on the company website and sent to the shareholders by e-mail to the extent required.
- 6.3 It is the shareholder's responsibility to ensure that the company has the correct email address of the shareholder. The company has no duty to rectify email addresses or to forward messages otherwise.
- 7. POWER TO BIND THE COMPANY**
- The Company shall be bound by the joint signatures of the CEO together with a board member or by the CEO together with another manager or by the joint board.
- 8. GUIDELINES FOR REMUNERATION**
- 8.1 The company's board of directors has prepared general guidelines for the incentive remuneration of the company's management and board. The guidelines have been discussed and approved by the company's general meeting. The guidelines have been published on the company's website (www.waturu.com).
- 9. AUDITOR**
- 9.1 The company's accounts shall be audited by an approved accountant elected a general meeting. Such auditor shall be elected for a period of one year. Re-election is permitted.
- 10. FINANCIAL YEAR**
- 10.1 The company's financial year shall be from 1 January to 31 December.

Glossary

Word/phrase	Definition
AC	Alternating current
Amp	The ampere-the base unit of electric current
CAGR	A compound annual growth rate
catalyse	A consulting company in the Netherlands
CE marked	certification mark - Conformité Européenne
Certified Adviser	Västra Hamnen Corporate Finance
Co2	Carbon dioxide
COPD	Chronic obstructive pulmonary disease
Cornerstone Investors	A “cornerstone investor” is an investor that takes a large portion of a fundraising round.
Danish MedTech	name of a company - 90% owned by Waturu Holding
E-coli	A coliform bacterium of the genus - Escherichia
EU	European Union
Flow	Flow - units flowing through a faucet
IPCC	Intergovernmental Panel on Climate Change
IPR	Intellectual Property rights
ISD	Inflammatory Skin Disease
ISIN	International Securities Identification Number.
LOCK UP	A term concerning initial public offerings of stock
LOI	letter of intent
MedTech	Medical Technology
MW	Mega Watt
NDA	Non-Disclosure Agreements
OEM	original equipment manufacturer
PA number	Patent Application number
PCT	patent cooperation treaty
POS	Point of sales
Q	quarter
RMA	return merchandise authorization
RO	reverse osmosis
RV	Recreational Vehicle
Scalable from 3 m3/H and up	a cubic meter of water
SDGs	The UN Sustainable Development Goals
Standby heating loss	Lost energy due to water being heated without being used.
Tankless solutions	A “flow-through” water heater
USD	United States currency
UV-light	Ultraviolet - a technology for disinfection.
Water conductivity	Waters ability to conduct an electric current
Watts available	A unit of power
WIPO	World Intellectual Property
Yaskawa MOTOMAN Robots	Brand of automation equipment

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Subscription form

Subscription form – for subscription of shares in Waturu Holding A/S



Subscription period: 29 April – 10 May, 2019 4.00 p.m.
Subscription price: DKK 6.875
Settlement: Delivery of shares in the temporary ISIN is delivery against payment.
Payment: Payment is expected to take place on 15 May, 2019.
ISIN: Permanent ISIN for the Shares: DK0061134780
 Temporary ISIN for the New shares: DK0061136132

This form must be submitted to the investor's own account holding bank in complete and executed form in due time to allow the investor's own account holding bank to process and forward the application to ensure that it is in the possession of Danske Bank A/S, no later than 4:00 p.m. (CET) on 10 May, 2019.

In an assessment of Waturu Holding A/S, Company reg. no. 37790486 ("Waturu") future development and operations, it is of great importance to consider all relevant risks. Each investor must make their own assessment of the impact of these risks by reading and understanding all available information published concerning this offer. The company description is available for download at www.waturu.com.

The undersigned hereby applies for subscription of the following number of shares in Waturu at a subscription price of DKK 6.875 per share:

Number of shares (minimum 600 shares per subscription)

Fill in where the allotted and paid for shares are to be delivered, owner-registered securities account or custody account (state only one alternative):

VP custody account no.	Bank
Settlement account no.	Bank
Custody account	Bank/Nominee

Note that if you have an account with specific rules for securities transactions, such as an investment savings account or endowment account, you must check with your bank/nominee, whether, and if so how, the acquisition of securities within the framework of the offer is possible. The subscription shall be made, in that case, in accordance with instructions received from the bank/nominee that holds the account.

Settlement of the Offering will be effected by way of registration of New shares representing the allocated number of Offer Shares on your custody account with VP SECURITIES A/S (VP) against payment in DKK, which will take place on the settlement date. All dealings in the New shares and/or the Offer Shares prior to settlement of the Offering will be for the account of, and at the sole risk of, the parties involved.

Fill in your name and address information (PLEASE WRITE CLEARLY)

Last name/Company	First name	National ID number/Company registration number	
Street address (or PO Box or equivalent)		Daytime telephone/mobile telephone	
Postal code	City	Country	E-mail
Place and date	Signature (authorised company signature, or guardian, if applicable)		

By signing this subscription form I confirm the following:

- That I have read the company description and understand the risks associated with investing in this particular financial instrument;
- That I have read and understand the information stated in the section "Terms and Instructions" in the company description;
- That I have read and accepted the information shown on the subscription form;
- I have observed that the offer is not addressed to persons resident in the USA, Australia, Japan, Canada, New Zealand, South Africa, Hong Kong, Switzerland, Singapore or other countries where participation requires additional prospectuses, registration or other measures other than those required by Danish law;
- That I am aware that the application is not covered by the right of return that follows from the Danish Consumer Contracts Act;
- That no amendments or additions may be made to the printed text in this subscription form;
- That the allocation of shares in accordance with the subscription cannot be guaranteed;
- That an incomplete or incorrect subscription form may be disregarded;
- That the subscription is binding;
- That I am aware that no customer relationship exists between Våstra Hamnen Corporate Finance AB and the subscriber with respect to this subscription;
- That Danske Bank as settlement agent is allowed to receive this form containing my information and signature and that Danske Bank is allowed to forward the form to my custody bank;

Auditor's report



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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Waturu Holding ApS

Opinion

We have audited the Consolidated Management Financial Statements and Parent Company Financial Statements of Waturu Holding ApS for the financial year 1 January - 31 December 2018, which comprise income statement, balance sheet, cash flows, notes and a summary of significant accounting policies for both the Group and the Parent Company. The Consolidated Management Financial Statements and Parent Company Financial Statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Consolidated Management Financial Statements and Parent Company Financial Statements give a true and fair view of the assets, liabilities and financial position of the Group and the Parent Company at 31 December 2018 and of the results of the Group and the Parent Company operations and cash flows for the financial year 1 January - 31 December 2018 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 Consolidated Management Financial Statements and Parent Company Financial Statements" section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Management's Responsibility for the Consolidated Management Financial Statements and Parent Company Financial Statements

Management is responsible for the preparation of Consolidated Management Financial Statements and Parent Company 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 Consolidated Management Financial Statements and Parent Company Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Management Financial Statements and Parent Company Financial Statements, Management is responsible for assessing the Group's and the Parent 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 Consolidated Management Financial Statements and Parent Company Financial Statements unless Management either intends to liquidate the Group or the Company or to cease operations, or has no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT

Auditor's Responsibilities for the Audit of the Consolidated Management Financial Statements and the Parent Company Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Management Financial Statements and Parent Company 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 Consolidated Management Financial Statements and Parent Company Financial Statements.

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 Consolidated Management Financial Statements and Parent 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.
- 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 Group's and the Parent 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 Consolidated Management Financial Statements and Parent Company 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 Group's and the Parent 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 Consolidated Management Financial Statements and Parent Company 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 Group and the Parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Consolidated Management Financial Statements and Parent Company Financial Statements, including the disclosures, and whether the Consolidated Management Financial Statements and Parent Company Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

INDEPENDENT AUDITOR'S REPORT

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the Consolidated Management Financial Statements and Parent Company Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Management Financial Statements and Parent Company Financial Statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Consolidated Management Financial Statements and Parent Company 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 Consolidated Management Financial Statements and Parent Company 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 Management's Review.

Copenhagen, 8 February 2019

BDO Statsautoriseret revisionsaktieselskab
CVR no. 20 22 26 70



Jesper Buch

State Authorised Public Accountant
MNE no. mne34089

Statement of rights



Waturu Holding A/S
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1 March 2019

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To whom it may concern

Information regarding Waturu IP

I have acted as attorney-at-law for Waturu Holding A/S since the founding of the company in 2016. I have provided strategic advice regarding the company's Intellectual Property (IP) and I have been responsible for the prosecution of some of the company's IP applications.

In this capacity – as well as in my capacity as a member of the Board of Directors – and based on my knowledge of the company and its operations per this day, I hereby confirm the following.

Since being founded the company has pursued an active IP strategy with filing of patent applications to protect the technologies that the company develops. The company continues to have an active IP strategy where the company continuously assess, whether new patent applications should be filed in relation to the research and development that takes place in the company.

Consequently, the company takes active steps to protect information related to current and potential future inventions, so that the company's option to file for protection is maintained to the widest extent.

The company's management have specifically informed me that at least 3 new priority patent applications are expected to be filed in 2019. The 3 applications covers 3 different business areas, and exemplifies the companies wish to apply its technologies to a wide range of business sectors.

The normal procedure for the company will be to file the new applications as national Danish patent applications, which will later be filed as PCT-applications.

From my understanding, it is the company's wish and intention to continue the active pursuit of protection of its IP rights as part of the company's overall busi-

ness strategy, as the company sees opportunities for protecting the technology built into its own hot water products, as well as the possibility of setting up profitable licensing of its technologies to other business sectors.

Below please find a brief overview over current and expected future filing for Q1 2019.

1. Current filings

1.1. Patent application

Filed on 6 January 2017 with the title "A water heating and treating device" with application number PA 2017 00018. The application is currently in the PCT-phase under No. PCT/EP2018/050301 being processed by the European Patent Office (EPO) as ISA (International Searching Authority). The application seeks protection for technology related to the core of the company's water heating solution.

Patent abstract:

A water heating and treating device is disclosed for obtaining water with known conductivity from water from a water supply, which water supply is substantially stable with respect to the conductivity, temperature, flow rate and solubility/consistency of the supplied water, wherein the water heating and treating device is constituted by a rectangular body with tracks for electrodes, with a lid with tracks for electrodes comprising 2 sides of electrodes which is arranged so that, they are mounted in the body and also held by the lid leaving enough volume for water to pass by the electrodes connected to AC power from the circuit board, via the in- and outlet of the device.

1.2. Patent application

Filed on 6 January 2017 with the title "Use of a Sensor signal from a tap" with application number PA 2017 00019. The application is currently in the PCT-phase under No. PCT/EP2018/050240 being processed by EPO as ISA. The application seeks protection for technology related to control of various units in a water environment.

Patent abstract:

A system for starting a water heater is disclosed, which system is arranged to detect a tap signal sent to the electronic control circuit for the valve mechanism of an automatic tap, or the current drawn from the energy used by the tap for instance when a touch-free, manual lever with signal ability or touch sensor is activated, and to use the detected tap signal for generating a new parallel connection for starting a water heater. Furthermore, the use of such a tap signal for starting a water heater and a method including such a use is disclosed.

1.3. Patent application

Filed on 18 January 2018 with the title "Device for treating and heating water in tank style water heaters" with application number PA 2018 00031. The application is currently in the PCT-phase under No. PCT/DK2019/050016 being processed by EPO as ISA. The application seeks protection for technology related to the use of the company's water heating technology in a tank-style water heater.

Patent abstract:

A system containing a device mounted to the flange of a tank style water heater while being connected to a AC power source and thereby treating and heating the water, within a passage between electrodes in a core, simultaneously delivering bacteria-free warm or hot improved water without limescale issues and being 20% to 30% more energy efficient. Furthermore, a method is described using a pump to deliver the water to the device in connection with a control solution.

1.4. Patent application

Filed on 8 October 2018 with the title "Device and Method for treating electrodes" with application number PA 2018 31859. The application seeks protection for technology related to the treatment and preservation of electrodes used in electric water heating technology. The application is still within its priority year, but the application is expected to be continued as a PCT filing.

An application with the same content was filed as a U.S. provisional patent application on 9 October 2018 with application number 62/742,953.

1.5. Patent application by Danish Medtech ApS

Filed on 8 February 2019 with the title "An apparatus for performing topical treatments of the surface of a human body" with application number PA 2019 00180. The application seeks protection for technology related to the treatment of for example various skin diseases. The application is still within its priority year, but the application is expected to be continued as a PCT filing.

Danish Medtech ApS is a subsidiary of Waturu Holding A/S.

Should you have questions to the above, please feel free to contact me.

Kind regards



Anders Skov
Attorney-at-law

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BE THE PROGRESS, GO TANKLESS

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