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Envecon Global ApS

Teglholm Allé 9E, 4. th., 2450 København SV

Company reg. no. 35 39 87 75

Annual report

1 January - 31 December 2021

The annual report was submitted and approved by the general meeting on the 20 May 2022.

Rajesh Nair
Chairman of the meeting

Contents

Notes to users of the English version of this document:

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

Management's statement

Today, the Executive Board has approved the annual report of Envecon Global ApS for the financial year 1 January - 31 December 2021.

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

We consider the chosen accounting policy to be appropriate, and in our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2021 and of the results of the Company's operations for the financial year 1 January – 31 December 2021.

The Executive Board consider the conditions for audit exemption of the 2021 financial statements to be met.

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

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

København SV, 20 May 2022

Executive board

Rajesh Nair CEO	Monika Nair CEO

Practitioner's compilation report

To the Shareholders of Envecon Global ApS

We have compiled the financial statements of Envecon Global ApS for the financial year 1 January - 31 December 2021 based on the company's bookkeeping and on information you have provided.

These financial statements comprise income statement, balance sheet, notes and a summary of significant accounting policies.

We performed this compilation engagement in accordance with International Standard on Related Services 4410 (Revised), Compilation Engagements.

We have applied our expertise in accounting and financial reporting to assist Management in the preparation and presentation of these financial statements in accordance with the Danish Financial Statements Act. We have complied with relevant requirements under the Danish Act on Approved Auditors and Audit Firms and International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) including principles of integrity, objectivity, professional competence and due care.

These financial statements and the accuracy and completeness of the information used to compile them are your responsibility.

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

Hillerød, 20 May 2022

Grant Thornton
State Authorised Public Accountants
Company reg. no. 34 20 99 36

Maibritt Nygaard
State Authorised Public Accountant
mne42813

Company information

The company	Envecon Global ApS Teglholm Allé 9E, 4. th. 2450 København SV	
	Company reg. no.	35 39 87 75
	Financial year:	1 January - 31 December
Executive board	Rajesh Nair, CEO Monika Nair, CEO	
Auditors	Grant Thornton, Statsautoriseret Revisionspartnerselskab Nordstensvej 11 3400 Hillerød	
Subsidiaries	Envecon Europe ApS, Denmark, Copenhagen Envecon Asia Pacific SDN. BHD., Malaysia, Selangor Envecon Americas Inc., America, Seattle	

Management´s review

The principal activities of the company

Like previous years, the principal activities consist of running a business with IT service, including consulting and trade as well as related business. The activity is carried out through ownership of companies.

Development in activities and financial matters

Income or loss from ordinary activities after tax totals t.DKK -103 against t.DKK -147 last year. The result for the year is affected by write-downs of investments in subsidiaries in the year.

Events occurring after the end of the financial year

No events have occurred after the end of the financial year that could significantly affect the company's financial position.

Income statement 1 January - 31 December

All amounts in DKK.

Note		2021	2020
	Gross profit	**-26.009**	**-1.841**
	Other financial income	840	0
	Impairment of financial assets	-72.000	-140.000
2	Other financial expenses	-5.692	-5.540
	Pre-tax net profit or loss	**-102.861**	**-147.381**
	Tax on net profit or loss for the year	0	0
	Net profit or loss for the year	**-102.861**	**-147.381**
	Proposed appropriation of net profit:		
	Allocated from retained earnings	-102.861	-147.381
	Total allocations and transfers	**-102.861**	**-147.381**

Balance sheet at 31 December

All amounts in DKK.

Note	Assets	2021	2020
	Non-current assets		
3	Investments in subsidiaries	577.817	649.817
	Total investments	577.817	649.817
	Total non-current assets	**577.817**	**649.817**
	Current assets		
	Receivables from subsidiaries	1.077.393	1.107.703
	Income tax receivables	30.000	56.000
	Total receivables	1.107.393	1.163.703
	Cash and cash equivalents	122.310	148.608
	Total current assets	**1.229.703**	**1.312.311**
	Total assets	**1.807.520**	**1.962.128**

Balance sheet at 31 December

All amounts in DKK.

Note	Equity and liabilities	2021	2020
	Equity		
	Contributed capital	80.000	80.000
	Retained earnings	1.707.382	1.810.243
	Total equity	**1.787.382**	**1.890.243**
	Liabilities other than provisions		
	Other payables	20.138	71.885
	Total short term liabilities other than provisions	20.138	71.885
	Total liabilities other than provisions	**20.138**	**71.885**
	Total equity and liabilities	**1.807.520**	**1.962.128**

1 Special items

4 Contingencies

Notes

All amounts in DKK.

1. Special items

Special items include significant income and expenses of a special nature relative to the enterprise's ordinary operating activities, such as the cost of extensive structuring of processes and fundamental structural adjustments and any related gains on disposal and losses which, over time, have a significant impact. Special items also include other significant amounts of a nonrecurring nature.

As mentioned in the management commentary, the net profit or loss for the year is affected by a number of factors that differ from what is considered by management to be part of operating activities.

Special items for the year are specified below, indicating where they are recognised in the income statement.

	2021	2020
Expenses:		
Write-downs of investments in subsidiaries	72.000	140.000
	72.000	140.000
Special items are recognised in the following items in the financial statements:		
Impairment of financial assets	-72.000	-140.000
Profit of special items, net	**-72.000**	**-140.000**

2. Other financial expenses

Other financial costs	5.692	5.540
	5.692	**5.540**

Notes

All amounts in DKK.

		31/12 2021	31/12 2020
3.	**Investments in subsidiaries**		
	Cost 1 January 2021	577.817	649.817
	Carrying amount, 31 December 2021	**577.817**	**649.817**

Financial highlights for the enterprises according to the latest approved annual reports

	Equity interest	Equity	Results for the year	Carrying amount, Envecon Global ApS
Envecon Europe ApS, Denmark, Copenhagen	100 %	-1.065.150	-99.299	0
Envecon Asia Pacific SDN. BHD., Malaysia, Selangor	100 %	576.904	-208.596	576.904
Envecon Americas Inc., America, Seattle	100 %	0	0	0
		-488.246	**-307.895**	**576.904**

4. Contingencies

Contingent liabilities

warranty obligations and other contingent liabilities:
A declarration of support has been submitted for Envecon Europe ApS

Joint taxation

The company acts as administration company for the group of companies subject to the Danish scheme of joint taxation and is unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, to pay the total corporation tax.

TheThe company is unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for any obligations to withhold tax on interest, royalties, and dividends.

Any subsequent adjustments of corporate taxes or withholding taxes, etc., may result in changes in the company's liabilities.

Accounting policies

The annual report for Envecon Global ApS has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises.

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

Recognition and measurement in general

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

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

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

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

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

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

Foreign currency translation

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

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

Fixed assets acquired and paid for in foreign currency are measured at the exchange rate prevailing at the date of the transaction.

Accounting policies

Group enterprises abroad are considered to be independent entities. The income statements are translated at an average exchange rate for the month, and the balance sheet items are translated at the closing rates. Currency translation differences, arising from the translation of the equity of group enterprises abroad at the beginning of the year to the closing rate and from the translation of income statements from average prices to the closing rate, are recognised directly in equity in the fair value reserve. This also applies to differences arising from translation of income statements from average exchange rate to closing rate.

Translation adjustment of balances with group enterprises abroad that are considered part of the total investment in group enterprises are recognised directly in equity in the fair value reserve. Likewise, foreign exchange gains and losses on loans and derived financial instruments for currency hedging independent group enterprises abroad are recognised directly in equity.

Income statement

Gross loss
Gross loss comprises external costs.

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

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

Results from investments in subsidiaries
Dividend from investments in subsidiaries is recognised in the financial year in which the dividend is declared.

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

The company is subject to Danish rules on compulsory joint taxation of Danish group enterprises. The company acts as an administration company in relation to the joint taxation. This means that the total Danish tax payable by the Danish consolidated companies is paid to the tax authorities by the company.

The current Danish income tax is allocated among the jointly taxed companies proportional to their respective taxable income (full allocation with reimbursement of tax losses).

Accounting policies

Statement of financial position

Impairment loss relating to non-current assets

The carrying amount of equity investments in subsidiaries are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

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

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

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

Investments

Investments in subsidiaries

Investments in subsidiaries arerecognised and measured at cost. If the recoverable amount is lower than the cost price, it shall be written down for impairment to this lower value.

Receivables

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

In order to meet expected losses, impairment takes place at the net realisable value. The company has chosen to use IAS 39 as a basis for interpretation when recognising impairment of financial assets, which means that impairments must be made to offset losses where an objective indication is deemed to have occurred that an account receivable or a portfolio of accounts receivable is impaired.If an objective indication shows that an individual account receivable has been impaired, an impairment takes place at individual level.

Accounts receivable for which there is no objective indication of impairment at the individual level are evaluated at portfolio level for objective indication of impairment. The portfolios are primarily based on the debtors' domicile and credit rating in accordance with the company's and the group's credit risk management policy. Determination of the objective indicators applied for portfolios are based on experience with historical losses.

Accounting policies

Impairment losses are calculated as the difference between the carrying amount of accounts receivable and the present value of the expected cash flows, including the realisable value of any securities received. The effective interest rate for the individual account receivable or portfolio is used as the discount rate.

Cash and cash equivalents

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

Income tax and deferred tax

As administration company, Envecon Global ApS is liable to the tax authorities for the subsidiaries' corporate income taxes.

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

The company is jointly taxed with consolidated Danish companies. The current corporate income tax is distributed between the jointly taxed companies in proportion to their taxable income and with full distribution with reimbursement as to tax losses. The jointly taxed companies are comprised by the Danish tax prepayment scheme.

Joint taxation contributions payable and receivable are recognised in the statement of financial position as ”Income tax receivable” or “Income tax payable”.

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

Liabilities other than provisions

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

The signatures in this document are legally binding. The document is signed using Penneo™ secure digital signature. The identity of the signers has been recorded, and are listed below.

"By my signature I confirm all dates and content in this document."

Rajesh Nair
Direktør og dirigent
Serial number: e0a6d88b-ebde-4b7c-80cb-923a7361151e
IP: 176.21.xxx.xxx
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Monika Nair
Direktionsmedlem
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Maibritt Nygaard
Statsautoriseret revisor
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