
BeCause ApS

Njalsgade 76, DK-2300 København S

Annual Report for 2022

CVR No. 39 74 52 67

The Annual Report was
presented and adopted
at the Annual General
Meeting of the
company
on 20/6 2023

Christian Oxlund
Chairman of the
general meeting



Contents

	<u>Page</u>
Management's Statement and Auditor's Report	
Management's statement	1
Independent Practitioner's Extended Review Report	2
Management's Review	
Company information	4
Management's review	5
Financial Statements	
Income statement 1 January - 31 December	7
Balance sheet 31 December	8
Statement of changes in equity	10
Notes to the Financial Statements	11

Management's statement

The Executive Board and Board of Directors have today considered and adopted the Financial Statements of BeCause ApS for the financial year 1 January - 31 December 2022.

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

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2022 of the Company and of the results of the Company operations for 2022.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

We recommend that the Financial Statements be adopted at the Annual General Meeting.

Copenhagen S, 20 June 2023

Executive Board

Frederik Prinds Rubens
Steensgaard
CEO

Jonas Bruun Jacobsen
CTO

Board of Directors

Christian Oxlund
Chairman

Jonas Bruun Jacobsen

Frederik Prinds Rubens Steensgaard

Independent Practitioner's Extended Review Report

To the shareholders of BeCause ApS

Extended Review Report on the Financial Statements

Conclusion

We have performed an extended review of the Financial Statements of BeCause ApS for the financial year 1 January - 31 December 2022, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The Financial Statements are prepared in accordance with the Danish Financial Statements Act.

Based on the work performed, in our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2022 and of the results of the Company's operations for the financial year 1 January - 31 December 2022 in accordance with the Danish Financial Statements Act.

Basis for Conclusion

We conducted our extended review in accordance with the Danish Business Authority's Assurance Standard for Small Enterprises and FSR – Danish Auditors' standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act. Our responsibilities under those standards and requirements are further described in the "Practitioner's responsibilities for the extended review of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Material Uncertainty Related to Going Concern

We draw attention to note 1 in the Financial Statements, from which it appears that the Company's capital availability is limited and is dependent on additional financing. As a result of this, there is significant uncertainty that may raise significant doubts about the Company's ability to continue operations.

Our conclusion is not modified regarding this matter.

Management's responsibility for the Financial Statements

Management is responsible for the preparation of Financial Statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the Financial Statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Independent Practitioner's Extended Review Report

Practitioner's responsibilities for the extended review of the Financial Statements

Our responsibility is to express a conclusion on the Financial Statements. This requires that we plan and perform procedures to obtain limited assurance in respect of our conclusion on the Financial Statements and, moreover, that we perform supplementary procedures specifically required to obtain additional assurance in respect of our conclusion.

An extended review consists of making inquiries, primarily of Management and others within the enterprise, as appropriate, and applying analytical procedures and the supplementary procedures specifically required as well as assessing the evidence obtained.

An extended review is less in scope than an audit and, consequently, we do not express an audit opinion on the Financial Statements.

Statement on Management's Review

Management is responsible for Management's Review.

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

In connection with our extended review of the Financial Statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Financial Statements or our knowledge obtained during the extended review, 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, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

Reporting obligations under section 7(2) of the Danish Executive Order on Approved Auditors' Reports

Non-compliance with the Danish Companies Act

Contrary to the Danish Companies Act, the Company has acquired own shares, by which Management may incur liability.

Aalborg, 20 June 2023

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Line Borregaard
State Authorised Public Accountant
mne34353

Morten Porup
State Authorised Public Accountant
mne47816

Company information

The Company	BeCause ApS Njalsgade 76 DK-2300 København S CVR No: 39 74 52 67 Financial period: 1 January - 31 December Incorporated: 26 July 2018 Financial year: 5th financial year Municipality of reg. office: Copenhagen
Board of Directors	Christian Oxlund, chairman Jonas Bruun Jacobsen Frederik Prinds Rubens Steensgaard
Executive board	Frederik Prinds Rubens Steensgaard Jonas Bruun Jacobsen
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Skelagervej 1A 9000 Aalborg

Management's review

Key activities

The Company's main activity is developing and operation of Because.eco.

Market overview

The past accounting period saw several significant changes to BeCause's business, with the strategic decision to deepen our market focus from being sector agnostic to tourism vertical first being the most significant.

Following the decision, Management implemented measures to align the business product, communications, and distribution channels to improve the fit with the tourism market, as exactly becomes more possible when the market is targeted and narrowed down.

The customer and partner response to the focus has been overwhelmingly positive, with many expressing appreciation, need for, assisting with, and advocating for our tourism focused services and vision. Moreover, within the same year as this initiative was engaged, several of the world's leading travel and hospitality companies have granted us their trust and confidence by selecting us as their vendor and using our platform.

Management is itself confident that this strategy will drive most value and growth for the Company, given the initial results showing more efficiency and efficacy due to deepening of understanding, resonance, network effects and concentration of focus and efforts.

With this being said, we remain committed to servicing and creating value to our pre-existing customers and partners beyond, securing continuation of the customer experience as having grown accustomed to.

During the reporting period, Management has been targeting growth of market share, revenue, and users based on strengthening of the foundation for growth, namely further development of the platform product in close collaboration and fit with the market. The result has been quite satisfactory.

Despite the loss during the financial period, BeCause has proven with its demand and unit economics that the core business model can become very profitable as it scales in volume, into a large, growing, and open market.

Moreover, by securing further working capital from existing and new investors, the Company has with proven able and attractive to such sources of financing liquidity and growth at this stage of the Company lifecycle.

Development in the year

The income statement of the Company for 2022 shows a loss of DKK 756,384 and at 31 December 2022 the balance sheet of the Company shows negative equity of DKK 48,343, however the result is in accordance with management expectations. In 2022 BeCause secured additional loan from Vækstfonden and also landed its first investment, which allowed the Company to invest in growth.

2022 have been used to establish proof of concept, which was successful and BeCause displayed an impressive growth in Subscription Revenue of 620 %.

Furthermore BeCause was included in the US based accelerator Alchemist.

Management's review

Targets and expectations for the year ahead

Following the close of the previous financial year on 31st December 2022, BeCause experienced a highly encouraging first quarter, with a significant improvement in financial performance culminating in the achievement of 40 % growth.

While the financial market dynamics continue to be a source of uncertainty, we remain optimistic about the Company's growth prospects for the year ahead. With a strong focus on product development for and together with Sustainability Certifiers, Online Travel Agencies (OTAs), and Hotel Chains, we intend to drive innovation and enhance our offerings to better serve our customers and partners.

In particular, we are thrilled to have recently amassed the, to our knowledge, largest live database of sustainability certified hotels on our platform. This brings with it both higher and more efficient coverage of the information OTAs seek about their suppliers (i.e. the hotels) amongst other value creation use cases where BeCause now is leading. As we look to the future, we are confident in our ability to capture new growth opportunities and drive value for our stakeholders.

Our mission to establish BeCause as the global, leading hub for sustainability data management among the interacting organization in the tourism ecosystem is rapidly gaining traction and endorsement from the industry. Despite turbulence and downturns in the global economy, travel and hospitality companies attract to our services at an accelerating rate, a testament to the timeliness and importance of the problem we solve as well as the trust and confidence placed in our platform.

As the sustainability agenda continues to evolve, we are well-positioned to capture new growth opportunities and deliver innovative data management solutions that meet the evolving needs of our customers and partners. We remain committed to our vision of making sustainability a no-brainer in all business, and we're excited about the possibilities that lie ahead for BeCause.

We have presented the financial statements on a going concern basis as it estimates, based on the planned initiatives, that the Company has sufficient liquidity to meet its obligations as they fall due at least until 31. December 2023 and therefore the going concern principle is assessed to be appropriate.

Income statement 1 January - 31 December

	Note	2022	2021
		DKK	DKK
Gross profit		507,677	756,379
Staff expenses	2	-1,173,850	-802,675
Amortisation and impairment losses of intangible assets		-31,354	0
Profit/loss before financial income and expenses		-697,527	-46,296
Financial income		2,051	0
Financial expenses		-60,908	-6,282
Profit/loss before tax		-756,384	-52,578
Tax on profit/loss for the year		0	0
Net profit/loss for the year		-756,384	-52,578

Distribution of profit

	2022	2021
	DKK	DKK
Proposed distribution of profit		
Retained earnings	-756,384	-52,578
	-756,384	-52,578

Balance sheet 31 December

Assets

	Note	2022 DKK	2021 DKK
Completed development projects		1,013,351	0
Intangible assets	3	1,013,351	0
Deposits	4	48,979	0
Fixed asset investments		48,979	0
Fixed assets		1,062,330	0
Trade receivables		279,441	197,922
Contract work in progress		0	72,000
Other receivables		138,719	20,031
Receivables		418,160	289,953
Cash at bank and in hand		1,153,828	513,075
Current assets		1,571,988	803,028
Assets		2,634,318	803,028

Balance sheet 31 December

Liabilities and equity

	Note	2022	2021
		DKK	DKK
Share capital	5	41,633	40,000
Share premium account		998,367	0
Reserve for development costs		790,414	0
Retained earnings		-1,878,757	-102,269
Equity		-48,343	-62,269
Subordinate loan capital		2,046,696	600,000
Prepayments received from customers		0	25,669
Long-term debt		2,046,696	625,669
Trade payables		45,043	22,582
Payables to owners and Management		0	7,500
Other payables		420,600	209,546
Deferred income		170,322	0
Short-term debt		635,965	239,628
Debt		2,682,661	865,297
Liabilities and equity		2,634,318	803,028
Going concern	1		
Contingent assets, liabilities and other financial obligations	6		
Accounting Policies	7		

Statement of changes in equity

	Share capital	Share premium account	Reserve for development costs	Retained earnings	Total
	DKK	DKK	DKK	DKK	DKK
Equity at 1 January	40,000	0	0	-102,269	-62,269
Cash capital increase	1,633	998,367	0	0	1,000,000
Purchase of treasury shares	0	0	0	-229,690	-229,690
Development costs for the year	0	0	814,870	-814,870	0
Depreciation, amortisation and impairment for the year	0	0	-24,456	24,456	0
Net profit/loss for the year	0	0	0	-756,384	-756,384
Equity at 31 December	41,633	998,367	790,414	-1,878,757	-48,343

Notes to the Financial Statements

1. Going concern

The Company has lost the entire share capital and expect to be re-established within a couple of years through own earnings and further investments. The Company's capital availability is limited and is dependent on additional financing. In 2023, the Company has received an additional loan of DKK 3 million, in the form of a convertible debenture, which is sufficient to cover the Company's liquidity in 2023. The loan is due on 31 December 2023.

It is the management's assessment that this will be converted to equity, and not required to be repaid, and therefore the Financial Statements have accordingly been prepared assuming the Company is Going Concern.

As a result of the above, there is significant uncertainty that may raise significant doubts about the Company's ability to continue operations.

	<u>2022</u>	<u>2021</u>
	DKK	DKK
2. Staff Expenses		
Wages and salaries	1,111,028	775,176
Other social security expenses	38,065	9,946
Other staff expenses	24,757	17,553
	<u>1,173,850</u>	<u>802,675</u>
Average number of employees	<u>6</u>	<u>2</u>

3. Intangible fixed assets

	<u>Completed development projects</u>
	DKK
Cost at 1 January	0
Additions for the year	1,044,705
Cost at 31 December	<u>1,044,705</u>
Impairment losses and amortisation at 1 January	0
Amortisation for the year	31,354
Impairment losses and amortisation at 31 December	<u>31,354</u>
Carrying amount at 31 December	<u>1,013,351</u>

Notes to the Financial Statements

The Company's development projects relate to the development of the BeCause platform. The projects are progressing as planned and are expected to be completed on an ongoing basis. Market research shows that the increased focus on climate and the Companies' environmental profiles leads to an increased demand for this type of platform.

4. Other fixed asset investments

	Deposits DKK
Cost at 1 January	0
Additions for the year	48,979
Cost at 31 December	48,979
Carrying amount at 31 December	48,979

5. Share capital

On May 1, 2022, the Company acquired 500 treasury shares, corresponding to 1,3%. The total payment for the shares amounted to kDKK 230, which has been transferred from retained earnings under equity. These shares have not been cancelled and are therefore held as treasury shares. The Company may choose to sell these shares at a later time. The shares have been acquired as part of the Company's strategy.

The Company holds a total of 500 shares with a nominal value of DKK 1 corresponding to 1,2% of the total capital.

	2022 DKK	2021 DKK
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6. Contingent assets, liabilities and other financial obligations

Charges and security

The following assets have been placed as security with Vækstfonden:

Deed of indemnity for a total of TDKK 2,000, which provides a pledge in simple claims arising from the sale of goods and services for a total accounting value of:	279,441	0
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Rental and lease obligations

Lease obligations, period of non-terminability 3 months	76,744	0
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Notes to the Financial Statements

7. Accounting policies

The Annual Report of BeCause ApS for 2022 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2022 are presented in DKK.

Some reclassifications have been made in the comparative figures. The reclassifications do not affect the result or equity.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Translation policies

Danish kroner is used as the presentation currency. All other currencies are regarded as foreign currencies.

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Income statement

Net sales

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Notes to the Financial Statements

Expenses for raw materials and consumables

Expenses for raw materials and consumables comprise the raw materials and consumables consumed to achieve revenue for the year.

Other external expenses

Other external expenses comprise expenses for premises, sales as well as office expenses, etc.

Gross profit

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, other operating income, expenses for raw materials and consumables and other external expenses.

Staff expenses

Staff costs include wages and salaries including compensated absence and pensions as well as other social security contributions etc. made to the entity's employees. The item is net of refunds made by public authorities.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation and impairment of intangible assets.

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Company, including gains and losses on the sale of intangible assets.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

Notes to the Financial Statements

Balance sheet

Intangible fixed assets

Development projects

Costs of development projects comprise salaries, amortisation and other expenses directly or indirectly attributable to the Company's development activities.

Development projects that are clearly defined and identifiable and in respect of which technical feasibility, sufficient resources and a potential future market or development opportunity in the enterprise can be demonstrated, and where it is the intention to manufacture, market or use the project, are recognised as intangible assets. This applies if sufficient certainty exists that the value in use of future earnings can cover cost of sales, distribution and administrative expenses involved as well as the development costs.

Development projects that do not meet the criteria for recognition in the balance sheet are recognised as expenses in the income statement as incurred.

Capitalised development costs are measured at cost less accumulated amortisation and impairment losses or at a lower recoverable amount. An amount corresponding to the recognised development costs is allocated to the equity item 'Reserve for development costs'. The reserve comprises only development costs recognised in financial years beginning on or after 1 January 2016. The reserve is reduced by amortisation of and impairment losses on the development projects on a continuing basis.

As of the date of completion, capitalised development costs are amortised on a straight-line basis over the period of the expected economic benefit from the development work. The amortisation period is 10 year.

Impairment of fixed assets

The carrying amounts of intangible assets are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation.

If so, the asset is written down to its lower recoverable amount.

Other fixed asset investments

Other fixed asset investments consist of deposit.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Contract work in progress

Contract work in progress is measured at selling price of the work performed calculated on the basis of the stage of completion. The stage of completion is measured by the proportion that the contract expenses incurred to date bear to the estimated total contract expenses. Where it is probable that total contract expenses will exceed total revenues from a contract, the expected loss is recognised as an expense in the income statement.

Where the selling price cannot be measured reliably, the selling price is measured at the lower of expenses incurred and net realisable value.

Notes to the Financial Statements

Equity

Treasury shares

Purchase and sales prices for treasury shares are recognised directly in retained earnings under equity. A reduction of capital by cancellation of treasury shares reduces the share capital by an amount equal to the nominal value of the shares and increases retained earnings. Dividend on treasury shares is recognised directly in equity under retained earnings.

Financial debts

Debts are measured at amortised cost, substantially corresponding to nominal value.

Deferred income

Deferred income comprises payments received in respect of income in subsequent years.