

Zave ApS

Toldboden 3
8800 Viborg

CVR No. 39976765

Annual report 2022

1 January 2022 - 31 December 2022

Adopted at the Annual General Meeting on 28
February 2023

Raiko Vähk
Chairman

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Company details

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Company

Zave ApS
Toldboden 3
8800 Viborg

CVR No.: 39976765

Executive board

Marek Kram
Priit Uustulnd
Raiko Vähk

Auditors

inforevision
statsautoriseret revisionsaktieselskab
Buddingevej 312
2860 Søborg
CVR No. 19263096

Simon Morthorst, state authorized public accountant

Management's Review

Primary activities

As in previous years, the company's primary activities were sale of heat pumps etc.

Development in activities and finances

Zave ApS belongs to Zave Energy Group (<https://www.zave.eu/>) and is a provider of energy efficient home climate solutions in heating, cooling and air conditioning market.

Zave Energy Group companies are operating as a B2C online retailers of energy efficient home climate solutions. Product range includes different air-to-air heat pumps, air-to-water heat pumps, geothermal heat pumps, air conditioners, solar energy solutions, etc.

Energy efficient home climate solutions market is a very rapidly growing market with approximately 30% annual growth in Scandinavian, Baltic market.

Zave ApS business volumes are expected to grow rapidly in coming years supported by the market growth as well as increasing market share.

On December 10th, 2021 owners of Zave Energy Group OÜ signed a Share Purchase Agreement with highly reputable Baltic – Nordic private equity fund Livonia Partners (<https://www.livoniapartners.com/>), who acquired through KS Livonia Partners Fund II AI 33% of Zave Energy Group.

Zave Energy Group ensures full financial support to its subsidiaries.

Statement by Management

Statement by Management

The Executive Board have today considered and adopted the annual report for 1 January 2022 - 31 December 2022 for Zave ApS.

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 the company's financial position at 31 December 2022 and of the results of its operations for the financial year 1 January 2022 - 31 December 2022.

We believe that the Management's review contains a fair review of the affairs and conditions referred to therein.

We still consider that the conditions to refrain audit are fulfilled.

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

Viborg, 24 February 2023

Executive board

Marek Kram
Executive director

Priit Uustulnd
Executive director

Raiko Vähk
Executive director

Independent auditor's report

Auditor's report on the compilation of financial statements prepared in accordance with the Danish Financial Statement Act

To the Executive Board of Zave ApS

We have prepared the financial statements of Zave ApS for the financial year 1 January 2022 - 31 December 2022 on basis of the company's bookkeeping as well as other information provided by management.

The financial statements comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes.

We have carried out the engagement in accordance with ISRS 4410, Compilation Engagements.

We have applied our professional expertise to assist management in the preparation and presentation of the financial statements in accordance with the Danish Financial Statement Act. We have complied with the relevant provisions of the Danish Act on Registered and State-Authorised Public Accountants and the 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.

The financial statements and the accuracy and completeness of the information used to compile the financial statements are management's responsibility.

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

Søborg, 24 February 2023

inforevision

Statsautoriseret revisionsaktieselskab

CVR No. 19263096

Simon Morthorst

State authorized public accountant

mne29383

Accounting policies

Information on reporting class

The annual report has been prepared in accordance with Danish financial statement legislation as well as generally accepted accounting principles.

The annual report has been prepared in accordance with the provisions of the Danish Financial Statements Act governing Reporting class B.

Some provisions from reporting class C has been adopted.

The accounting policies have not been changed from last year.

Generally regarding recognition and measurement

The financial statements have been prepared based on historical cost.

The income is 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.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the maturity period. Amortised cost is calculated as original cost less any repayments and with addition/deduction of the cumulative amortisation of any difference between cost and the nominal amount. In this way, capital losses and gains are allocated over the maturity period.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the annual report which confirm or invalidate affairs and conditions existing at the balance sheet date.

The functional currency is Danish Kroner. All other currencies are considered foreign currencies.

Foreign currency translation

During the year, transactions in foreign currencies have been translated applying the exchange rate at the transaction date. If currency positions are considered hedge of future cash flows, the value adjustments are recognised directly in equity.

Receivables and debt denominated in foreign currencies have been recognised at the exchange rate of the balance sheet date.

Realised and unrealised exchange gains and losses have been recognised in the income statement under other financial income and expenses.

Accounting policies, continued

Income statement

The income statement has been classified by nature.

Gross profit

Gross profit/loss includes "Revenue", "Cost of sales" and "External expenses".

Revenue

As income recognition criterion, the completed contract method is applied so that revenue comprises invoiced revenue for the year. Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer before the end of the financial year. Revenue is measured at fair value excl. VAT and less granted goods and customer discounts.

Cost of sales

Cost of sales comprise expenses incurred to earn revenue for the year including changes in goods for resale in the year.

External expenses

External expenses comprises Selling costs, Cost of premises and Administrative expenses.

Staff costs

Staff costs include wages and salaries including holiday pay and pensions and other social security costs etc. to the company's employees.

Financial income

Financial income is recognised with amounts concerning the the financial year. Financial income comprise interest, realised and unrealised exchange gains, realised and unrealised gains on sale of other securities and investments, dividends as well as interest reimbursements under the Danish Tax Prepayment Scheme.

Financial expenses

Financial expenses is recognised with amounts concerning the the financial year. Financial expenses comprise interest, realised and unrealised exchange losses, realised and unrealised losses on sale of other securities and investments, amortisation of debt to mortgage credit institutions as well as interest surcharge under the Danish Tax Prepayment Scheme.

Tax on profit or loss for the year

Tax on profit or loss for the year represents 22% of the book profit or loss adjusted for non-taxable and non-deductible items.

Tax on profit or loss for the year consists of the anticipated tax portion of the taxable income for the year adjusted for the changes for the year in deferred tax. Changes in deferred taxes due to adjustments of tax rates is recognised in the income statement.

Tax on profit or loss for the year is recognised in the income statement by the portion attributable to the profit or loss for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The company is subject to the Danish Tax Prepayment Scheme. Interest reimbursement and interest surcharge have been recognised in financial income and expenses.

Accounting policies, continued

Balance sheet

The balance sheet has been presented in account form.

Assets

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulate depreciation. The basis of depreciation is cost less estimated residual value after the end of useful life.

Cost comprises the acquisition price as well as costs directly related to the acquisition until the time when the asset is ready to be put into operation.

The costprice for an asset is divided into separate components, that are depreciated separately, if the useful life of the individual components is significantly different.

Depreciation is initiated when the assets are ready to be taken into operation. Assets are depreciated on a straight-line basis over their estimated useful lives with following residual values:

Category	Period	Residual value
Fixtures, fittings, tools and equipment	5 years	0-10%

Minor purchases with useful lives below one year have been recognised as an expense in the income statement in external expenses.

Profit/loss on sale or retirement has been included in the income statement under gross profit or loss.

The carrying amounts of property, plant and equipment are reviewed annually for indication of impairment for losses, apart from what is expressed by usual depreciation. If this applies, impairment for loss is made of each asset or group of assets, respectively, to lower recoverable amount. As recoverable amount, the higher of expected net selling price and net present value is applied. The net present value is calculated as the present value of the expected cash flows from the use of the asset or the group of assets.

Impairment for loss for the year is recognised in the income statement as amortisation, depreciation and impairment for loss of property, plant and equipment and intangible assets.

Other receivables classified as fixed assets

Deposits recognised as fixed assets are measured at amortised cost, which usually corresponds to nominal amount.

Inventories

Inventories are measured at cost according to the FIFO method. In the event of cost exceeding net realisable value, writedown is made to this lower value.

Cost of goods for resale as well as raw materials and consumables comprises purchase price plus delivery costs. Cost of manufactured goods and work in progress consists of costs of raw materials, consumables, direct labour costs and other direct costs.

The net realisable value of inventories is calculated at the estimated selling price less completion costs and expected costs to execute sale. The net realisable value is determined allowing for marketability, obsolescence and development in expected sales price.

Accounting policies, continued

Prepayments to suppliers regarding non delivered goods are recognised as a separate item under inventories.

Received prepayments from customers regarding non delivered goods are recognised as liabilities.

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. Provisions for bad debts are determined on the basis of an individual assessment of each receivable.

Prepayments

Prepayments comprise costs incurred relating to subsequent financial years.

Equity and liabilities

Equity

Dividend distribution proposed by Management for the year is disclosed as a separate equity item.

In case of acquisition of treasury shares the acquisition price is recognised directly in equity under the item retained earnings. Subsequent adjustments in the value of treasury shares is not recognised in the financial statements. Received dividends and sales price on disposals are also recognised directly in equity under the item retained earnings.

Deferred tax and corporation tax

Deferred tax is measured using the balance sheet liability method. Provision has been made for deferred tax by 22% on all temporary differences between carrying amount and tax-based value of assets and liabilities. Deferred tax is also measured with respect of the planned use of the asset and the settlement of the liability.

The tax value of the tax losses to be carried forward are included in the calculation of deferred taxes if it is probable that the losses can be used. Deferred tax assets are measured at net realisable value.

Deferred tax assets which are not expected utilised within a few years have been disclosed in notes under contingent assets.

Corporation tax relating to the the financial year which has not been settled at the balance sheet date is classified as corporation tax in receivables or liabilities other than provisions.

Financial debts

Financial debts are recognised when raising the loan at the proceeds received net of transaction expenses incurred, which are directly related with the loan. In subsequent years, financial debts are measured at amortised cost equal to the capitalised value using the effective interest rate. The difference between the proceeds and the nominal value is recognised in the income statement over the loan period.

Short-term debts are measured at amortised cost, substantially corresponding to nominal value.

Prepayments received from customers

Received prepayments from customers comprises prepayments according to an agreement whereas the company has an obligation to deliver goods and/or services in the subsequent years.

Income statement

	Note	2022 DKK	2021 DKK
Gross loss		-1.622.737	-810.127
Staff costs	2	-869.783	0
Earnings before interest, taxes, depreciation and amortisation (EBITDA)		-2.492.520	-810.127
Depreciation, amortisation and impairment losses of property, plant and equipment and intangible assets	3	-34.384	-19.335
Earnings before interest and taxes (EBIT)		-2.526.904	-829.462
Finance income		79	90
Finance expenses	4	-33.194	-4.334
Profit/loss before tax		-2.560.019	-833.706
Tax on profit/loss for the year		0	0
Profit/loss for the year		-2.560.019	-833.706

Proposed distribution of profit and loss

	2022 DKK	2021 DKK
Proposed distribution of profit and loss for the year :		
Transferred to retained earnings	-2.560.019	-833.706
Profit/loss for the year	-2.560.019	-833.706

Assets

	<u>Note</u>	<u>31/12-2022</u>	<u>31/12-2021</u>
		DKK	DKK
Fixtures, fittings, tools and equipment		118.203	152.587
Property, plant and equipment	5	118.203	152.587
Deposits		10.485	0
Investments	6	10.485	0
Fixed assets		128.688	152.587
Manufactured goods and goods for resale		19.731	0
Prepayments for goods		146.005	0
Inventories		165.736	0
Trade receivables		1.710.594	298.288
Other receivables		305.050	180
Prepayments		4.065	20.188
Receivables		2.019.709	318.656
Cash at bank and in hand		111.160	966.550
Current assets		2.296.605	1.285.206
Total assets		2.425.293	1.437.793

Equity and liabilities

	<u>Note</u>	<u>31/12-2022</u> DKK	<u>31/12-2021</u> DKK
Contributed capital		50.000	50.000
Retained earnings		-3.475.799	-915.780
Equity		<u>-3.425.799</u>	<u>-865.780</u>
Payables to group enterprises		2.073.098	0
Long-term liabilities other than provisions	7	<u>2.073.098</u>	<u>0</u>
Prepayments received from customers		1.894.441	937.545
Trade payables		387.021	279.422
Payables to group enterprises		697.471	251.697
Other payables		799.061	834.909
Short-term liabilities other than provisions		<u>3.777.994</u>	<u>2.303.573</u>
Liabilities other than provisions		<u>5.851.092</u>	<u>2.303.573</u>
Total equity and liabilities		<u>2.425.293</u>	<u>1.437.793</u>
Going concern	1		
Contingent assets	8		
Unrecognised contractual commitments	9		

Statement of changes in equity

	Contributed capital	Retained earnings	Total
	DKK	DKK	DKK
Equity at 1 January 2021	50.000	-82.074	-32.074
Distributed profit/loss for the year		-833.706	-833.706
Equity at 1 January 2022	50.000	-915.780	-865.780
Distributed profit/loss for the year		-2.560.019	-2.560.019
Equity at 31 December 2022	50.000	-3.475.799	-3.425.799

Notes

1. Going concern

The company's management expects a negative result for the coming financial year, and the company's shareholders have stated that they will support the company financially in the future financial year so that the company will be able to service its obligations in line with that they fall due.

On the basis of the above, the financial statements have been prepared on the assumption of the company continued operation.

2. Staff costs

	<u>2022</u>	<u>2021</u>
	DKK	DKK
Wages and salaries	823.950	0
Pensions	30.673	0
Other social security costs	3.421	0
Other staff cost	11.739	0
Total	<u>869.783</u>	<u>0</u>
Average number of full-time employees	<u>1</u>	<u>0</u>

3. Depreciation, amortisation and impairment losses of property, plant and equipment and intangible assets

	<u>2022</u>	<u>2021</u>
	DKK	DKK
Depreciation of property, plant and equipment	<u>34.384</u>	<u>19.335</u>
Total	<u>34.384</u>	<u>19.335</u>

4. Finance expenses

	<u>2022</u>	<u>2021</u>
	DKK	DKK
Financial expenses to group enterprises	26.710	0
Other financial expenses	6.484	4.334
Total	<u>33.194</u>	<u>4.334</u>

Notes, continued

5. Property, plant and equipment

	Fixtures, fittings, tools and equipment	Total	2021
	DKK	DKK	DKK
Cost at 1 January 2022	171.922	171.922	171.922
Cost at 31 December 2022	171.922	171.922	171.922
Depreciation and impairment losses at 1 January 2022	-19.335	-19.335	0
Depreciation for the year	-34.384	-34.384	-19.335
Depreciation and impairment losses at 31 December 2022	-53.719	-53.719	-19.335
Carrying amount at 31 December 2022	118.203	118.203	152.587

6. Investments

	Deposits	Total
	DKK	DKK
Additions for the year	10.485	10.485
Cost at 31 December 2022	10.485	10.485
Carrying amount at 31 December 2022	10.485	10.485

7. Long-term liabilities

	31/12-2022	31/12-2021
	DKK	DKK
Liabilities in total:		
Payables to group enterprises	2.073.098	0
Total	2.073.098	0

8. Contingent assets

	2022
	DKK
Unrecognised deferred tax assets due to tax losses carried forward and tax depreciation below accounting depreciation on fixtures, fittings, tools and equipment	764.533

Notes, continued

9. Unrecognised contractual commitments

2022

DKK

The company has entered into rental commitment regarding rent of premises. The rental contract is non-terminable until 31/3 2023. The total commitment represents

10.485

Total rental and lease obligations

10.485

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

Raiko Vähk

Direktør

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2023-03-01 09:31:00 UTC

Raiko Vähk

Priit Uustulnd

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Serial number: priit.uustulnd@zave.eu

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2023-03-01 10:16:35 UTC



Simon Morthorst

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Raiko Vähk

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