

Ecotree International ApS

Flæsketorvet 68

1711 København V

CVR No. 40699805

Annual Report 2019/20

1. financial year

The Annual Report was presented and
adopted at the Annual General Meeting of
the Company on 21 May 2021

Thomas Norman Canguilhem
Chairman

Ecotree International ApS

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Management's Statement

Today, Management has considered and adopted the Annual Report of Ecotree International ApS for the financial year 25 July 2019 - 31 December 2020.

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

In our opinion, the Financial Statements give a true and fair view of the assets, liabilities and financial position of the Company at 31 December 2020 and of the results of the Company's operations for the financial year 25 July 2019 - 31 December 2020.

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

The conditions for not conducting an audit of the Financial Statement have been met.

The Annual General Meeting of the Company decides that the Financial Statements for next year are not to be audited. The conditions for not conducting an audit of the Financial Statements have been met.

As the entire Equity has been lost, we estimate that it will be re-established over the coming years. However, we rely heavily on the financial support from our parent company, in order for us to continue operations.

We recommend that the Annual Report be adopted at the Annual General Meeting.

København, 21 May 2021

Executive Board

Thomas Norman Canguilhem
Man. Director

Theophane Le Mene
Manager

Ecotree International ApS

Company details

Company	Ecotree International ApS Flæsketorvet 68 1711 København V
CVR No.	40699805
Date of formation	25 July 2019
Registered office	København
Executive Board	Thomas Norman Canguilhem, Man. Director Theophane Le Mene, Manager

Management's Review

The Company's principal activities

The Company's principal activities consist in the promotion and commercialisation of newly planted trees in European forests, to both individuals and companies, in order to benefit from both tangible environmental benefits (CO₂-capture, biodiversity preservation, etc.) as well as a financial incentive. The Company focuses on an International target group, with a primary focus on the Nordic markets.

Development in activities and financial matters

The Company's Income Statement of the financial year 25 July 2019 - 31 December 2020 shows a result of DKK -4.557.948 and the Balance Sheet at 31 December 2020 a balance sheet total of DKK 2.626.890 and an equity of DKK -4.517.949.

Material changes in the Company's operations and financial matters

The COVID sanitary crisis has severely and negatively impacted the Company's activities, particularly during the first lock-down/confinement period. It has first strongly disrupted the Company's operations, as the home office format was largely incompatible with the needs and challenges of a newly assembled team. In addition, the promotional as well as commercial activities on both our B2B and B2C segments have been put on complete standby for a couple of months, until our clients, both individual and companies, have recovered from the deep "shakedown" from this sanitary crisis.

As the entire Equity has been lost, we estimate that it will be re-established over the coming years. However, we rely heavily on the financial support from our parent company, in order for us to continue operations.

Accounting Policies

Reporting Class

The Annual Report of Ecotree International ApS for 2019/20 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

As the financial year 2019/20 is the Company's first financial year, the Financial Statements with associated notes have been prepared without comparative figures from the previous year.

Reporting currency

The Annual Report is presented in Danish kroner.

General Information

Basis of recognition and measurement

The financial statement have been prepared under the historical cost princip.

Income is recognised in the Income Statement as it is earned, including value adjustments of financial assets and liabilities that are measured at fair value or amortised cost. 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 accrue 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 attributable to the asset will flow out of the Company, and the value of the liability can be measured reliably.

At initial recognition, assets and liabilities are 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 term. Amortised cost is calculated as original cost less repayments and with the addition/deduction of the accumulated amortisation of the difference between the cost and the nominal amount. This way, exchange losses and gains are allocated over the term.

In connection with recognition and measurement, consideration is given to predictable losses and risks occurring prior to the presentation of the Annual Report, i.e. losses and risks which prove or disprove matters which exist at the balance sheet date.

Income Statement

Gross profit/loss

The Company has decided to aggregate certain items of the Income Statement in accordance with the provisions of Section 32 of the Danish Financial Statements Act.

Gross profit is a combination of the items of revenue, change in inventories of finished goods, work in progress and goods for resale, other operation income, cost of raw and consumables and other external expenses.

Revenue

Revenue is recognised in the income statement if the goods have been delivered and the risk has passed to the

Accounting Policies

buyer before year-end and if the revenue can be reliably calculated and expected to be received. Revenue is recognised exclusive of VAT and net of sales discounts.

Staff expenses

Staff expenses comprise wages, salaries and other pay-related costs, such as sickness benefits for enterprise employees less wage/salary reimbursement, pensions and social security costs.

Other staff expenses are recognised in other external expenses.

Financial income and expenses

Financial income and expenses are recognised in the Income Statement based on the amounts that concern the financial year. Financial income and expenses include interest revenue and expenses, finance charges in respect of finance leases, realised and unrealised capital gains and losses regarding securities, accounts payable and transactions in foreign currencies, repayment on mortgage loans, and surcharges and allowances under the tax prepayment scheme.

Dividends equity investments are recognised as income in the financial year in which the dividends are declared.

Tax on net profit for the year

Tax on net profit/loss for the year comprises current tax on expected taxable income of the year and the year's adjustment of deferred tax less the part of the tax of the year that relates to changes in equity. Current and deferred tax regarding changes in equity is recognised directly in equity.

Balance Sheet

Deposits

Deposits are measured at cost.

Receivables

Receivables are measured at amortised cost which usually corresponds to the nominal value. The value is reduced by write-downs for expected bad debts.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand as well as short-term securities with a term of less than three months which can be converted directly into cash at bank and in hand and involve only an insignificant risk of value changes.

Equity

Equity comprises the working capital and a number of equity items that may be statutory or stipulated in the articles of association.

Other payables

Other payables are measured at amortised cost, which usually corresponds to the nominal value

Contingent assets and liabilities

Contingent assets and liabilities are not recognised in the Balance Sheet but appear only in the notes.

Ecotree International ApS

Income Statement

	Note	2019/20 kr.
Gross profit		-1.888.787
Employee benefits expense	2	-3.944.676
Profit from ordinary operating activities		-5.833.463
Other finance income		9
Finance expences		-9.787
Profit from ordinary activities before tax		-5.843.241
Tax expense on ordinary activities		1.285.293
Profit		-4.557.948
 Proposed distribution of results		
Retained earnings		-4.557.949
Distribution of profit		-4.557.949

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Balance Sheet as of 31 December

	Note	2020 kr.
Assets		
Deposits, investments		86.280
Investments		<u>86.280</u>
Fixed assets		<u>86.280</u>
Current deferred tax		1.285.293
Other short-term receivables		677.767
Receivables		<u>1.963.060</u>
Cash and cash equivalents		<u>577.550</u>
Current assets		<u>2.540.610</u>
Assets		<u>2.626.890</u>

Balance Sheet as of 31 December

	Note	2020 kr.
Liabilities and equity		
Contributed capital		40.000
Retained earnings		-4.557.949
Equity		<u>-4.517.949</u>
		<u>172.992</u>
Long-term liabilities other than provisions		<u>172.992</u>
Trade payables		175.385
Payables to associates		6.353.612
Other payables		442.850
Short-term liabilities other than provisions		<u>6.971.847</u>
		<u>7.144.839</u>
Liabilities other than provisions within the business		<u>7.144.839</u>
Liabilities and equity		<u>2.626.890</u>
Contingent liabilities	3	
Collaterals and assets pledges as security	4	

Notes

2019/20

1. Uncertainties relating to going concern

Ecotree International ApS is in a start-up fase, why the loss for the year was expected.

The parent company will continue to subsidize Ecotree International ApS over the coming 12 months.

2. Personalemkostninger

Wages and salaries	3.915.770
Social security contributions	28.906
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	3.944.676
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Average number of employees	8
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3. Contingent liabilities

No contingent liabilities exist at the balance sheet date.

4. Collaterals and securities

No securities or mortgages exist at the balance sheet date.