

# **Ecotree International ApS**

Flæsketorvet 68

1711 København V

CVR No. 40699805

## **Annual Report 2021**

2. financial year

The Annual Report was presented and  
adopted at the Annual General Meeting of  
the Company on 16 June 2022

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Thomas 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 1 January 2021 - 31 December 2021.

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 2021 and of the results of the Company's operations for the financial year 1 January 2021 - 31 December 2021.

The comparison of the detailed accounts between 2021 and 2020 is not relevant since the cost allocations did not follow the same cost allocation rules for the two years

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.

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

København, 16 June 2022

### **Executive Board**

Thomas Norman Canguilhem  
Man. Director

Theophane Le Mene  
Manager

## Ecotree International ApS

### Company details

<b>Company</b>	Ecotree International ApS Flæsketorvet 68 1711 København V
CVR No.	40699805
Date of formation	25 July 2019
Registered office	København
<b>Executive Board</b>	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 (CO<sub>2</sub>-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 the activities and the financial situation of the Company**

#### **Development in activities and the financial situation**

The Company's Income Statement of the financial year 1 January 2021 - 31 December 2021 shows a result of DKK -5.285.260 and the Balance Sheet at 31 December 2021 a balance sheet total of DKK 6.421.123 and an equity of DKK -9.803.210.

### **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 2021 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 2021 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 principle.

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 amortized cost. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortization, 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 financial statement, i.e. losses and risks which prove or disprove matters which exist at the balance sheet date.

## Accounting Policies

### 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 operating income, costs for raw materials 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 buyer before year-end and if the revenue can be reliably calculated and expected to be received. Revenue is recognised excluding VAT and all discounts granted are recognised in revenue.

#### Staff costs

Staff costs include wages and salaries including compensated absence and pension to the Companies employees, as well as other social security contributions etc. The item is deducted from refunds from public authorities.

Other staff expenses are recognised in other external expenses.

#### Financial income and expenses

Financial income and expenses are recognised in the income statement based at the amounts that concern the financial year. Financial income and expenses include interest revenue and expenses, financial expenses 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 advance-payment of tax scheme.

Dividends from other 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.

## Accounting Policies

### Balance sheet

#### Property, plant and equipment

Property, plant and equipment are measured at cost on initial recognition and subsequently at cost less accumulated depreciation and impairment losses.

The depreciable amount is calculated taking into consideration the residual value of the asset at the end of its useful life, reduced by impairment losses, if any. The depreciation period and the residual value are determined at the data of acquisition. If the residual value exceeds the carrying amount of the asset, depreciation is discontinued.

In case of changes in depreciation period or residual value, the effect of a change in depreciation period is recognised prospectively in accounting estimates.

Cost includes the purchase price and expenses directly related to the acquisition until the time when the asset is ready for use. The cost of self-constructed assets includes costs for materials, components, subcontractors, direct payroll costs and indirect production costs.

The cost of composite asset is disaggregated into components, which are separately depreciated if the useful lives of the individual component differ.

Land is not amortized.

#### Deposits

Deposits are measured at cost.

#### Receivables

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

Other receivables consists of various prepaid items.

#### 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 amortized 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.



**Income Statement**

	Note	2021 kr.	kr.
<b>Gross profit</b>		<b>-1.280.119</b>	<b>-1.888.787</b>
Employee benefits expense	1	-5.419.558	-3.944.676
<b>Profit from ordinary operating activities</b>		<b>-6.699.677</b>	<b>-5.833.463</b>
Other finance income		899	9
Finance expences		-63.132	-9.787
<b>Profit from ordinary activities before tax</b>		<b>-6.761.910</b>	<b>-5.843.241</b>
Tax expense on ordinary activities		1.476.650	1.285.293
<b>Profit</b>		<b>-5.285.260</b>	<b>-4.557.948</b>
 <b>Proposed distribution of results</b>			
Retained earnings		-5.285.260	-4.557.949
<b>Distribution of profit</b>		<b>-5.285.260</b>	<b>-4.557.949</b>

**Balance Sheet as of 31 December**

	Note	2021 kr.	kr.
<b>Assets</b>			
Land and buildings		982.650	0
<b>Property, plant and equipment</b>		<b>982.650</b>	<b>0</b>
Deposits, investments		243.804	86.280
<b>Investments</b>		<b>243.804</b>	<b>86.280</b>
<b>Fixed assets</b>		<b>1.226.454</b>	<b>86.280</b>
Short-term trade receivables		464.702	0
Current deferred tax		2.761.943	1.285.293
Other short-term receivables		378.116	677.767
<b>Receivables</b>		<b>3.604.761</b>	<b>1.963.060</b>
<b>Cash and cash equivalents</b>		<b>1.589.908</b>	<b>577.550</b>
<b>Current assets</b>		<b>5.194.669</b>	<b>2.540.610</b>
<b>Assets</b>		<b>6.421.123</b>	<b>2.626.890</b>

**Balance Sheet as of 31 December**

	Note	2021 kr.	kr.
<b>Liabilities and equity</b>			
Contributed capital		40.000	40.000
Retained earnings		-9.843.210	-4.557.949
<b>Equity</b>		<b>-9.803.210</b>	<b>-4.517.949</b>
		<u>221.230</u>	<u>172.992</u>
<b>Long-term liabilities other than provisions</b>		<b>221.230</b>	<b>172.992</b>
Prepayments received from customers		2.316.167	0
Trade payables		104.819	175.385
Payables to associates		13.052.877	6.353.612
Other payables		529.240	442.850
<b>Short-term liabilities other than provisions</b>		<b>16.003.103</b>	<b>6.971.847</b>
		<u>16.224.333</u>	<u>7.144.839</u>
<b>Liabilities other than provisions within the business</b>		<b>16.224.333</b>	<b>7.144.839</b>
		<u>6.421.123</u>	<u>2.626.890</u>
<b>Liabilities and equity</b>		<b>6.421.123</b>	<b>2.626.890</b>
Uncertainties relating to going concern	2		
Contingent liabilities	3		
Collaterals and assets pledges as security	4		

Notes

2021

**1. Personalemkostninger**

Wages and salaries	5.339.404	3.915.770
Social security contributions	61.018	28.906
Other employee expense	19.136	0
	<u>5.419.558</u>	<u>3.944.676</u>

Average number of employees	<u>10</u>	<u>8</u>
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**2. Uncertainty regarding 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.

**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.