

Klimate ApS

Hauser Plads 30A, st.
1127 København K
Denmark

CVR no. 41 05 71 65

Annual report 2021

The annual report was presented and approved at
the Company's annual general meeting on

19 May 2022

Mads Emil Dalsgaard

Chairman of the annual general meeting

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Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Klimate ApS for the financial year 1 January – 31 December 2021.

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

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2021 and of the results of the Company's operations for the financial year 1 January – 31 December 2021.

Further, in our opinion, the Management's review gives a 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, 19 May 2022
Executive Board:

Katja Grothe-Eberhardt

Mads Emil Dalsgaard

Board of Directors:

Jakob Mathias Wichmann
Chairman

Simon Laursen Bager

Mads Emil Dalsgaard

Katja Grothe-Eberhardt

Independent auditor's report

To the shareholders of Klimate ApS

Opinion

We have audited the financial statements of Klimate ApS for the financial year 1 January – 31 December 2021 comprising income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2021 and of the results of the Company's operations for the financial year 1 January – 31 December 2021 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit 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 audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 that 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.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements in Denmark will always detect a material misstatement when it exists. Misstatements may arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also

- identify and assess the risks of material misstatement of the company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

Independent auditor's report

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the 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 of the Management's review.

København, 19 May 2022

KPMG

Statsautoriseret Revisionspartnerselskab

CVR no. 25 57 81 98

Morten Høgh-Petersen
State Authorised
Public Accountant
mne34283

Klimate ApS
Annual report 2021
CVR no. 41 05 71 65

Management's review

Company details

Klimate ApS
Hauser Plads 30A, st.
1127 København K
Denmark

CVR no.:	41 05 71 65
Established:	6 January 2020
Registered office:	København
Financial year:	1 January – 31 December

Board of Directors

Jakob Mathias Wichmann, Chairman
Simon Laursen Bager
Mads Emil Dalsgaard
Katja Grothe-Eberhardt

Executive Board

Katja Grothe-Eberhardt
Mads Emil Dalsgaard

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfærgevej 28
DK-2100 København Ø
CVR no. 25 57 81 98

Management's review

Operating review

Principal activities

The Company is dedicated to conduct sales of CO2 compensation certificates, as well as other related business at the management's discretion.

Development in activities and financial position

The Company's income statement for 2021 shows a loss of DKK -1,531,158 as against DKK -17,111 for the period 6 January - 31 December 2020. Equity in the Company's balance sheet at 31 December 2021 stood at DKK -808,269 as against DKK 122,889 at 31 December 2020.

Capital resources

As at 31. December 2021 the company has a negative equity. Management has assessed that the capital can be re-established from future income. Management have also assessed that the company has sufficient liquidity to finance operations for the coming year, and on this basis have prepared the financial statement for the year 2021 under the assumption of the company's continued operation.

Events after the balance sheet date

No events have occurred after the balance sheet date that materially affect the Company's financial position.

Financial statements 1 January – 31 December

Income statement

DKK	Note	2021	6/1 2020- 31/12 2020
Gross loss		-737,125	-21,122
Staff costs	3	-1,034,725	0
Depreciation, amortisation and impairment losses		-32,215	0
Loss before financial income and expenses		-1,804,065	-21,122
Other financial income		45	19
Other financial expenses		-158,689	-2
Loss before tax		-1,962,709	-21,105
Tax on loss for the year	4	431,551	3,994
Loss for the year		-1,531,158	-17,111
Proposed distribution of loss			
Retained earnings		-1,531,158	-17,111
		-1,531,158	-17,111

Financial statements 1 January – 31 December

Balance sheet

DKK	Note	31/12 2021	31/12 2020
ASSETS			
Fixed assets			
Intangible assets	5		
Completed development projects		420,808	0
Total fixed assets		420,808	0
Current assets			
Receivables			
Trade receivables		39,065	0
Receivables from group entities		0	3,770
Other receivables		30,155	10,587
Deferred tax asset		435,545	3,994
Prepayments		9,375	0
		514,140	18,351
Cash at bank and in hand		3,508,212	129,538
Total current assets		4,022,352	147,889
TOTAL ASSETS		4,443,160	147,889

Financial statements 1 January – 31 December

Balance sheet

DKK	Note	31/12 2021	31/12 2020
EQUITY AND LIABILITIES			
Equity			
Contributed capital		92,959	83,085
Share premium		647,041	56,915
Retained earnings		<u>-1,548,269</u>	<u>-17,111</u>
Total equity		<u>-808,269</u>	<u>122,889</u>
Liabilities			
Non-current liabilities			
Convertible and profit-sharing debt instruments	6	<u>4,917,186</u>	<u>0</u>
Current liabilities			
Trade payables		201,102	25,000
Other payables		131,958	0
Payables to shareholders and Management		<u>1,183</u>	<u>0</u>
		<u>334,243</u>	<u>25,000</u>
Total liabilities		<u>5,251,429</u>	<u>25,000</u>
TOTAL EQUITY AND LIABILITIES		<u><u>4,443,160</u></u>	<u><u>147,889</u></u>

Financial statements 1 January – 31 December

Statement of changes in equity

DKK	Contributed capital	Share premium	Retained earnings	Total
Equity at 1 January 2021	83,085	56,915	-17,111	122,889
Cash capital increase	9,874	590,126	0	600,000
Transferred over the distribution of loss	0	0	-1,531,158	-1,531,158
Equity at 31 December 2021	92,959	647,041	-1,548,269	-808,269

Financial statements 1 January – 31 December

Notes

1 Accounting policies

The annual report of Klimate ApS for 2021 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act with opt-in from higher reporting classes.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Change in comparative figures

There have been made reclassifications to certain postings in the balance sheet in the comparative figures.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Income statement

Gross loss

Pursuant to section 32 of the Danish Financial Statements Act, the Company has decided only to disclose gross loss.

Revenue

Income from the sale of goods, is recognised in revenue when delivery and transfer of risk to the buyer have taken place, and the income may be measured reliably and is expected to be received.

Cost of sales

Cost of sales comprises costs incurred to generate revenue for the year. This item also comprises direct costs for goods for resale and changes to inventory of goods for resale.

Other operating income

Other operating income comprises items secondary to the activities of the entity, including government grants and subsidies.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Other external costs

Other external costs comprise distribution costs and costs related to sales, sales campaigns, administration, office premises, etc.

Staff costs

Staff costs comprise wages and salaries, including holiday allowance, pension and other social security costs, etc., to the Company's employees, excluding reimbursements from public authorities.

Financial income and expenses

Financial income and expenses comprise interest income and expense, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

Tax on loss for the year

Tax for the year comprises current corporation tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

Balance sheet

Intangible assets

Completed development projects

Development costs comprise costs, wages, salaries and amortisation directly and indirectly attributable to development activities.

Completed development projects is amortised on a straight-line basis over the estimated useful life. The amortisation period is 5 years.

Impairment of fixed assets

The carrying amount of intangible assets is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

The recoverable amount is the higher of an asset's net selling price and its value in use. The value in use is determined as the present value of the forecast net cash flows from the use of the asset or the group of assets, including forecast net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

Write-downs are calculated as the difference between the carrying amount of receivables and the present value of forecast cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities based on the planned use of the asset or settlement of the liability. However, deferred tax is not recognised on temporary differences relating to goodwill non-deductible for tax purposes and on office premises and other items where the temporary differences arise at the date of acquisition without affecting either profit/loss or taxable income.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the foreseeable future; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Any deferred net assets are measured at net realisable value.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement or equity, respectively.

Prepayments

Prepayments comprise prepayment of costs incurred relating to subsequent financial years.

Cash at bank and in hand

Cash at bank and in hand comprise cash at bank.

Liabilities

Financial liabilities are recognised at cost at the date of borrowing, corresponding to the proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost using the effective interest method. Accordingly, the difference between cost and the nominal value is recognised in the income statement over the term of the loan together with interest expenses.

Other liabilities are measured at amortised cost.

Financial statements 1 January – 31 December

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2 Capital resources

As at 31. December 2021 the Company has a negative equity. Management has assessed that the capital can be re-established from future income. Management have also assessed that the Company has sufficient liquidity to finance operations for the coming year, and on this basis have prepared the financial statement for the year 2021 under the assumption of the Company's continued operation.

DKK	2021	6/1 2020- 31/12 2020
3 Staff costs		
Wages and salaries	989,736	0
Pensions	33,300	0
Other social security costs	11,689	0
	<u>1,034,725</u>	<u>0</u>
Average number of full-time employees	<u>3</u>	<u>0</u>
4 Tax on loss for the year		
Deferred tax for the year	-431,551	-3,994
	<u>-431,551</u>	<u>-3,994</u>
5 Intangible assets		
DKK		Completed development projects
Cost at 1 January 2021		0
Additions for the year		453,023
Cost at 31 December 2021		<u>453,023</u>
Amortisation for the year		-32,215
Amortisation and impairment losses at 31 December 2021		<u>-32,215</u>
Carrying amount at 31 December 2021		<u>420,808</u>
6 Non-current liabilities		
DKK	Total debt at 31/12 2021	Outstanding debt after five years
Convertible and profit-sharing debt instruments	4,917,186	0
	<u>4,917,186</u>	<u>0</u>

Financial statements 1 January – 31 December

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7 Contractual obligations, contingencies, etc.

Contingent liabilities

The Company is jointly taxed with other Danish companies in the group and is jointly and severally liable for corporation taxes and any obligations to include withholding tax on interest, royalties and dividends for the jointly taxed companies. The total tax liabilities of the jointly taxed companies on the balance sheet date has not yet been calculated.

Operating lease obligations

The Company has entered into operating leases with a remaining term of 3 months and an average monthly lease payments of DKK 9.375, totalling 28.125 DKK.