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# *Cirque ApS*

Ewaldsgade 3,2, DK-2200 Copenhagen

## Annual Report for 2022

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CVR No. 41 74 28 36

The Annual Report was  
presented and adopted  
at the Annual General  
Meeting of the  
company  
on 14/7 2023

Jan Weber  
Chairman of the  
general meeting



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# Management's statement

The Executive Board and Board of Directors have today considered and adopted the Financial Statements of Circle 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, 14 July 2023

## Executive Board

Jan Weber

## Board of Directors

Christian Lynge Hjorth  
Chairman

Jan Weber

Jakob Nordenhof Jønck

Sara Sande

The Annual General Meeting has decided that the Financial Statements for next year are not to be subject to any audit.

# Independent Auditor's report

To the shareholder of Cirqle ApS

## Opinion

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.

We have audited the Financial Statements of Cirqle 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").

## 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.

## Material Uncertainty Related to Going Concern

We draw attention to the fact that material uncertainty exists which may raise significant doubt about the Company's ability to continue as a going concern. We refer to note 1 in the annual report, from which it appears that the Company's ability to continue as a going concern is dependent on the Company adhering to the management approved budgets and on the Company being supplied with the necessary liquidity either in the form of equity or loan finance.

It is Management's assessment and expectation that the Company adheres to the management approved budgets and will be supplied with the necessary liquidity either in the form of equity or loan finance, which is why the annual report is presented on the assumption of going concern.

Our conclusion is not modified regarding this matter.

## 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 audit 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 audit, 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.

# Independent Auditor's report

## Management's responsibilities 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.

## Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about 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 applicable in Denmark will always detect a material misstatement when it exists. Misstatements can 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 taken 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 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.
- 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.

# Independent Auditor's report

- 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.

Hellerup, 14 July 2023

**PricewaterhouseCoopers**

Statsautoriseret Revisionspartnerselskab

*CVR No 33 77 12 31*

Thomas Baunkjær Andersen

State Authorised Public Accountant

mne35483

## Company information

<b>The Company</b>	<p>Cirque ApS Ewaldsgade 3,2 DK-2200 Copenhagen</p> <p>CVR No: 41 74 28 36 Financial period: 1 January - 31 December Incorporated: 7 October 2020 Financial year: 3rd financial year Municipality of reg. office: Copenhagen</p>
<b>Board of Directors</b>	<p>Christian Lynge Hjorth, chairman Jan Weber Jakob Nordenhof Jønck</p>
<b>Executive Board</b>	<p>Jan Weber</p>
<b>Auditors</b>	<p>PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 2900 Hellerup</p>

# Management's review

## Key activities

Cirqlø is an organization operating in the circular economy, fighting packaging waste in the food and beverage industry. Cirqlø replaces disposable single-use packaging, such as styrofoam and cardboard, with a reusable system where packaging can be used again and again. They thereby reduce waste, resulting in Cirqlø having a direct and positive impact on the environment and the climate crisis.

The mission is to transform the packaging industry and, through technology, eliminate disposable packaging for a greener planet.

Cirqlø provides "reusable packaging as a service" which consists of four parts: an IT platform and associated web application, reusable packaging with tracking technology, logistics and washing of the packaging.

## Development in the year

The income statement of the Company for 2022 shows a loss of DKK 14,789,580, and at 31 December 2022 the balance sheet of the Company shows positive equity of DKK 3,235,826.

## Going concern

For information regarding the existence of material uncertainty which may raise significant doubt on going concern, please refer to note 1 in the annual report.

## Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.



## Income statement 1 January - 31 December

	Note	2022 DKK	2021 DKK
<b>Gross loss</b>		<b>-2,884,753</b>	<b>-1,483,870</b>
Staff expenses	2	-5,602,204	-4,882,324
Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment	3	-6,257,468	-1,849,075
<b>Profit/loss before financial income and expenses</b>		<b>-14,744,425</b>	<b>-8,215,269</b>
Financial expenses	4	-45,155	-132,969
<b>Profit/loss before tax</b>		<b>-14,789,580</b>	<b>-8,348,238</b>
Tax on profit/loss for the year		0	0
<b>Net profit/loss for the year</b>		<b>-14,789,580</b>	<b>-8,348,238</b>

## Distribution of profit

	2022 DKK	2021 DKK
<b>Proposed distribution of profit</b>		
Retained earnings	-14,789,580	-8,348,238
	<b>-14,789,580</b>	<b>-8,348,238</b>

## Balance sheet 31 December

### Assets

	Note	2022	2021
		DKK	DKK
Completed development projects		0	5,606,488
<b>Intangible assets</b>	5	<b>0</b>	<b>5,606,488</b>
Plant and machinery		102,125	72,700
Other fixtures and fittings, tools and equipment		188,100	188,100
<b>Property, plant and equipment</b>	6	<b>290,225</b>	<b>260,800</b>
<b>Fixed assets</b>		<b>290,225</b>	<b>5,867,288</b>
Trade receivables		53,341	387,025
Other receivables		204,140	316,661
Prepayments		33,254	0
<b>Receivables</b>		<b>290,735</b>	<b>703,686</b>
<b>Cash at bank and in hand</b>		<b>4,990,272</b>	<b>13,994,797</b>
<b>Current assets</b>		<b>5,281,007</b>	<b>14,698,483</b>
<b>Assets</b>		<b>5,571,232</b>	<b>20,565,771</b>

# Balance sheet 31 December

## Liabilities and equity

	Note	2022	2021
		DKK	DKK
Share capital		90,712	90,712
Reserve for development costs		0	4,373,061
Retained earnings		3,145,114	13,561,634
<b>Equity</b>		<b>3,235,826</b>	<b>18,025,407</b>
Trade payables		261,680	255,892
Payables to group enterprises		1,923,241	1,923,241
Payables to owners and Management		4,796	4,568
Other payables		145,689	356,663
<b>Short-term debt</b>		<b>2,335,406</b>	<b>2,540,364</b>
<b>Debt</b>		<b>2,335,406</b>	<b>2,540,364</b>
<b>Liabilities and equity</b>		<b>5,571,232</b>	<b>20,565,771</b>

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## Statement of changes in equity

	Share capital	Retained earnings	Total
	DKK	DKK	DKK
Equity at 1 January	90,712	17,934,694	18,025,406
Net profit/loss for the year	0	-14,789,580	-14,789,580
<b>Equity at 31 December</b>	<b>90,712</b>	<b>3,145,114</b>	<b>3,235,826</b>

# Notes to the Financial Statements

## 1. Going concern

The Company's ability to continue as a going concern is dependent on the Company adhering to the management approved budgets for the period 1 January - 31 December 2023 and on the Company being supplied with the necessary liquidity either in the form of equity or loan finance.

Company Management has initiated a dialogue with potential investors who can provide the necessary liquidity in the financial year 2023 and has implemented cost savings. The Company has at the time of the approval of the annual report for 2022, received a guarantee of the supply of liquidity amounting to DKK 300,000 during the financial year 2023.

Management expects that the approved budgets for the period 1 January - 31 December 2023 will be met and that the ongoing dialogue with potential investors will result in the Company being supplied with the necessary liquidity, either in the form of equity or loan finance. Management is therefore submitting the annual report on the assumption of going concern.

Although Management expects the Company to be supplied with the necessary liquidity in the form of equity or loan finance and expects to adhere to the management approved budgets for the period 1 January - 31 December 2023, the above indicates that material uncertainty exists which may raise significant doubt about the Company's ability to continue as a going concern.

	2022	2021
	DKK	DKK
<b>2. Staff Expenses</b>		
Wages and salaries	5,514,390	4,703,589
Other social security expenses	59,222	106,348
Other staff expenses	28,592	72,387
	<b>5,602,204</b>	<b>4,882,324</b>
Average number of employees	<b>8</b>	<b>10</b>

	2022	2021
	DKK	DKK
<b>3. Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment</b>		
Amortisation of intangible assets	0	1,849,075
Depreciation of property, plant and equipment	17,751	0
Impairment of intangible assets	5,606,488	0
Impairment of tangible assets	633,229	0
	<b>6,257,468</b>	<b>1,849,075</b>

## Notes to the Financial Statements

	<u>2022</u>	<u>2021</u>
	DKK	DKK
<b>4. Financial expenses</b>		
Other financial expenses	43,378	132,862
Exchange loss	<u>1,777</u>	<u>107</u>
	<u><b>45,155</b></u>	<u><b>132,969</b></u>

## 5. Intangible fixed assets

	<u>Completed development projects</u>
	DKK
Cost at 1 January	<u>7,475,317</u>
Cost at 31 December	<u>7,475,317</u>
Impairment losses and amortisation at 1 January	1,868,829
Impairment losses for the year	<u>5,606,488</u>
Impairment losses and amortisation at 31 December	<u>7,475,317</u>
<b>Carrying amount at 31 December</b>	<u><b>0</b></u>
Amortised over	<u>4 years</u>

# Notes to the Financial Statements

## 6. Property, plant and equipment

	Plant and machinery	Other fixtures and fittings, tools and equipment
	DKK	DKK
Cost at 1 January	72,700	188,100
Additions for the year	680,405	0
Cost at 31 December	753,105	188,100
Impairment losses and depreciation at 1 January	0	0
Impairment losses for the year	633,229	0
Depreciation for the year	17,751	0
Impairment losses and depreciation at 31 December	650,980	0
<b>Carrying amount at 31 December</b>	<b>102,125</b>	<b>188,100</b>
Amortised over	5-10 years	5-10 years

## 7. Contingent assets, liabilities and other financial obligations

### Contingent assets

The company has deferred tax to be used in future positive income of DKK 64 mio. The nominal value hereof amounts 22%, in total DKK 14 mio. The deferred tax asset has not been recognized due to the uncertainty about the time for use of the tax losses.

### Other contingent liabilities

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group.

# Notes to the Financial Statements

## 8. Accounting policies

The Annual Report of Cirqle 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.

### 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.

#### 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.



# Notes to the Financial Statements

## Other external expenses

Other external expenses comprise indirect production costs and expenses for premises, sales as well as office expenses, etc.

## Gross loss

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

## Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses.

## Amortisation, depreciation and impairment losses

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

## 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.

## Balance sheet

### Intangible fixed assets

#### *Development projects*

Development projects are measured initially at cost. The cost of development projects comprises costs, including salaries and depreciation directly attributable to the development projects, which are necessary to complete the project, from the date when the development project first qualifies for recognition as an asset. Reimbursements and grants for development projects are deducted from the cost in line with the completion.

Completed development projects are amortised over the expected useful life. The amortisation period is normally 4 years. For development projects protected by intellectual property rights, the maximum amortisation period is the remaining term of the rights.

An amount corresponding to the capitalised development projects in the Balance Sheet has been recognised under Equity as Reserve for development costs. The reserve is reduced with amortisation of development projects.

### Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Interest expenses on loans contracted directly for financing the construction of property, plant and equipment are recognised in cost over the construction period.

## Notes to the Financial Statements

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Plant and machinery	5-10 years
Other fixtures and fittings, tools and equipment	5-10 years

The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

### Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment and investments are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

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

### 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.

### Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

### Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

### Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

### Financial debts

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