

SJM IP ApS

Forhåbningsholms Alle 19, 1. th

1904 Frederiksberg C

CVR No. 41933038

Annual Report 2020/21

1. financial year

The Annual Report was presented and
adopted at the Annual General Meeting of
the Company on 28 June 2022

Matthew Stanley Johnson
Chairman

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Management's Statement

Today, Management has considered and adopted the Annual Report of SJM IP ApS for the financial year 11 December 2020 - 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 11 December 2020 - 31 December 2021.

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

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.

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Executive Board

Matthew Stanley Johnson
Manager

SJM IP ApS

Company details

Company	SJM IP ApS Forhåbningsholms Alle 19, 1. th 1904 Frederiksberg C
CVR No.	41933038
Date of formation	11 December 2020
Executive Board	Matthew Stanley Johnson, Manager

Management's Review

The Company's principal activities

The Company's principal activities consist in to administer patent rights and conduct related activities in connection with inventions which render methane harmless, as well as carry out other related activities.

Development in activities and the financial situation

The Company's Income Statement of the financial year 11 December 2020 - 31 December 2021 shows a result of DKK -15.006 and the Balance Sheet at 31 December 2021 a balance sheet total of DKK 95.232 and an equity of DKK 24.994.

Post financial year events

After the end of the financial year, no events have occurred which may change the financial position of the entity substantially.

Accounting Policies

Reporting Class

The annual report of SJM IP ApS for 2020/21 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The accounting policies applied remain unchanged from last year.

As the financial year 2020/21 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.

Income statement

Other external expenses

Other external expenses include expenses for distribution, sales, advertising, administration, premises, bad debts, operating leasing expenses etc.

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

Intangible assets

Development projects that are clearly defined and identifiable, and where the degree of technical utilization, sufficient resources and a potential future market or development potential in the Company are provable and where the intention is to manufacture, market or use the product or process are recognised as intangible assets if the value in use can be determined reliably and it is sufficiently certain that future earnings can cover production, sales and administration costs as well as total development costs.

Other development costs are recognised as costs in the income statement as they incur.

Development costs comprise costs, including wages, salaries and amortization, that are directly or indirectly attributable to the development activities of the enterprise and meet the recognition criteria.

Capitalized development costs are measured at cost on initial recognition and subsequently at the lower of cost less accumulated amortization and the recoverable amount.

Equity investments in group enterprises and associates

Equity investments in group enterprises and associates are measured at cost. Dividends that exceed accumulated earnings of the group enterprise or the associate during the ownership period are treated as a reduction of the cost. If cost exceeds the net realizable value, a write-down to this lower value will be performed.

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.

Impairment of accounts receivables past due is established on individual assessment of receivables.

Equity

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

Current tax liabilities

Current tax liabilities and current tax receivables are recognised in the balance sheet as estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Liabilities

Financial liabilities are recognised initially at the proceeds received net of transaction expenses incurred. In subsequent periods, financial liabilities are measured at amortized cost, corresponding to the capitalized value using the effective interest method, so that the difference between the proceeds and the nominal value is recognised in the income statement over the life of the financial instrument.

Mortgage debt is accordingly measured at amortized cost, corresponding to the outstanding balance in case of cash loans. In case of bond loans, amortized cost corresponds to the outstanding balance determined as the underlying cash value of the loans at the time of borrowing adjusted for amortisation of capital losses on the loans over the repayment period.

Other liabilities are measured at net realisable value.

Accounting Policies

Payables

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	2020/21 kr.
Gross profit		-19.238
Profit from ordinary operating activities		<u>-19.238</u>
Profit from ordinary activities before tax		<u>-19.238</u>
Tax expense on ordinary activities		<u>4.232</u>
Profit		<u>-15.006</u>
 Proposed distribution of results		
Retained earnings		<u>-15.006</u>
Distribution of profit		<u>-15.006</u>

Balance Sheet as of 31 December

	Note	2021 kr.
Assets		
Completed development projects		51.000
Intangible assets		51.000
Long-term investments in group enterprises	2	16.000
Investments		16.000
Fixed assets		67.000
Current deferred tax		4.232
Other short-term receivables		24.000
Receivables		28.232
Current assets		28.232
Assets		95.232

Balance Sheet as of 31 December

	Note	2021 kr.
Liabilities and equity		
Contributed capital		40.000
Retained earnings		-15.006
Equity		24.994
Trade payables		70.238
Short-term liabilities other than provisions		70.238
Liabilities other than provisions within the business		70.238
Liabilities and equity		95.232
Contingent liabilities	3	
Collaterals and assets pledges as security	4	

Statement of changes in Equity

	Contributed capital	Retained earnings	Total
Equity 11 December 2020	40.000	0	40.000
Profit (loss)	0	-15.006	-15.006
Equity 31 December 2021	40.000	-15.006	24.994

The share capital has remained unchanged since the foundation

Notes

2020/21

1. Employee benefits expense

Average number of employees

1

2. Disclosure in long-term investments in group enterprises and associates

Group enterprises

Name	Registered office	Share held in %
Ambient Carbon Methane	Frederiksberg	40,00

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.