



Lun Energy ApS

Hillerødgade 30 A, 1.
2200 København N
CVR No. 43169459

Annual report 30.03.2022 - 31.12.2022

The Annual General Meeting adopted the
annual report on 30.06.2023

Martin François Lucas Collignon
Chairman of the General Meeting

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Entity details

Entity

Lun Energy ApS
Hillerødgade 30 A, 1.
2200 København N

Business Registration No.: 43169459
Registered office: Frederiksberg
Financial year: 30.03.2022 - 31.12.2022

Board of Directors

Agate Freimane
Martin François Lucas Collignon
Anders Philip Skovsgaard Valentin

Executive Board

Anders Philip Skovsgaard Valentin
Martin François Lucas Collignon

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
City Tower, Værkmestergade 2
8000 Aarhus C

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Lun Energy ApS for the financial year 30.03.2022 - 31.12.2022.

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 Entity's financial position at 31.12.2022 and of the results of its operations for the financial year 30.03.2022 - 31.12.2022.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, 30.06.2023

Executive Board

Anders Philip Skovsgaard Valentin

Martin François Lucas Collignon

Board of Directors

Agate Freimane

Martin François Lucas Collignon

Anders Philip Skovsgaard Valentin

Independent auditor's extended review report

To the shareholders of Lun Energy ApS

Conclusion

We have performed an extended review of the financial statements of Lun Energy ApS for the financial year 30.03.2022 - 31.12.2022, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

Based on our extended review, in our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2022 and of the results of its operations for the financial year 30.03.2022 - 31.12.2022 in accordance with the Danish Financial Statements Act.

Basis for conclusion

We conducted our extended review in accordance with the assurance engagement standard for small enterprises as issued by the Danish Business Authority and the standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act as issued by FSR - Danish Auditors. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the extended review of the financial statements" section. We are independent of the Entity 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 evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

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 Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the extended review of the financial statements

Our responsibility is to express a conclusion on the financial statements. This requires that we plan and perform procedures to obtain limited assurance about our conclusion on the financial statements and that we also perform specifically required supplementary procedures for the purpose of obtaining additional assurance about our conclusion.

An extended review consists of making inquiries, primarily of Management and, if appropriate, of other entity

personnel, performing analytical and the specifically required supplementary procedures as well as evaluating the evidence obtained.

The procedures performed in an extended review are less in scope than in an audit, and accordingly we do not express an audit opinion on the financial statements.

Statement on the management commentary

Management is responsible for the management commentary.

Our conclusion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our extended review of the financial statements our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the extended review or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary is in accordance with 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 commentary.

Aarhus, 30.06.2023

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Mads Fauerskov

State Authorised Public Accountant
Identification No (MNE) mne35428

Lena Lykkegård

State Authorised Public Accountant
Identification No (MNE) mne47836

Management commentary

Primary activities

The company's purpose is to minimize the climate footprint of homes faster. The company's purpose is, among other things, to have a significant positive impact on society and the environment as a whole in its business and operations.

Development in activities and finances

The company's income statement shows a loss of DKK 3.1m, which management considers as expected.

At the end of the year, the company has made a capital increase in the form of debt conversion and cash capital increase of DKK 80.6m.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

In February 2023, the company received payment of the entire capital increase made at the end of December 2022.

Income statement for 2022

	Notes	2022 DKK
Gross profit/loss		465,104
Staff costs	1	(4,058,730)
Operating profit/loss		(3,593,626)
Other financial income		442
Other financial expenses		(83,021)
Profit/loss before tax		(3,676,205)
Tax on profit/loss for the year	2	548,191
Profit/loss for the year		(3,128,014)
Proposed distribution of profit and loss		
Retained earnings		(3,128,014)
Proposed distribution of profit and loss		(3,128,014)

Balance sheet at 31.12.2022

Assets

	Notes	2022 DKK
Development projects in progress	4	2,491,777
Intangible assets	3	2,491,777
Fixed assets		2,491,777
Manufactured goods and goods for resale		866,724
Prepayments for goods		4,032,778
Inventories		4,899,502
Trade receivables		666,671
Other receivables	5	65,852,582
Income tax receivable	6	548,191
Prepayments		122,476
Receivables		67,189,920
Cash		6,379,156
Current assets		78,468,578
Assets		80,960,355

Equity and liabilities

	Notes	2022 DKK
Contributed capital		75,597
Reserve for development expenditure		1,943,586
Retained earnings		74,934,147
Equity		76,953,330
Prepayments received from customers		86,083
Trade payables		3,302,292
Other payables	7	618,650
Current liabilities other than provisions		4,007,025
Liabilities other than provisions		4,007,025
Equity and liabilities		80,960,355
Unrecognised rental and lease commitments	8	
Contingent liabilities	9	
Assets charged and collateral	10	

Statement of changes in equity for 2022

	Contributed capital DKK	Reserve for development expenditure DKK	Retained earnings DKK	Total DKK
Contributed upon formation	40,000	0	0	40,000
Increase of capital	23,315	0	69,922,086	69,945,401
Capital increase by debt conversion	12,282	0	10,659,493	10,671,775
Costs related to equity transactions	0	0	(575,832)	(575,832)
Transfer to reserves	0	1,943,586	(1,943,586)	0
Profit/loss for the year	0	0	(3,128,014)	(3,128,014)
Equity end of year	75,597	1,943,586	74,934,147	76,953,330

Notes

1 Staff costs

	2022
	DKK
Wages and salaries	3,895,285
Pension costs	117,240
Other social security costs	46,205
	4,058,730
Average number of full-time employees	9

2 Tax on profit/loss for the year

	2022
	DKK
Current tax	(548,191)
	(548,191)

3 Intangible assets

	Development projects in progress
	DKK
Additions	2,491,777
Cost end of year	2,491,777
Carrying amount end of year	2,491,777

4 Development projects

Development projects under development include the development of software that automates the processes in the heat pump installation industry. This will lead to an increase in efficiency for companies installing commodity pumps. It is the management's assessment that the project is technically possible to complete.

It is management's assessment that the future benefits and savings resulting from the development project exceed the carrying value of the development projects as of 31.12.2022. Any depreciation needs shall be assessed annually.

5 Other receivables

Other receivables on the balance sheet consist of receivable payment of cash capital increase at the end of December 2022.

The amount is placed in the client account of the company's legal counsel as of the balance sheet date.

6 Tax receivable

The receivable corporation tax recognised in the balance sheet relates to the application of the tax credit scheme under section 8X of the Danish Tax Assessment Act, whereby the company can receive the tax value of tax losses arising from research and development costs.

Based on the review of the criteria for the application of the scheme, it is the management's opinion that the company is entitled to use the scheme and the recognition has been made on the basis of this assessment.

However, whether the criteria for the application of the scheme are met is based on a discretionary assessment. As a result, there may be a risk that the tax authorities consider that the criterias are not met. In such cases, the receivable will have to be returned in whole or in part to the profit and loss account in subsequent financial years.

7 Other payables

	2022
	DKK
VAT and duties	100,192
Wages and salaries, personal income taxes, social security costs, etc. payable	283,355
Holiday pay obligation	232,965
Other costs payable	2,138
	618,650

8 Unrecognised rental and lease commitments

	2022
	DKK
Liabilities under rental or lease agreements until maturity in total	130,297

9 Contingent liabilities

As of 31.12.2022, the Company has entered into agreements with suppliers of finished goods for the supply of goods with a nominal value of DKK 3,4m, for which the Company has not assumed risk transition, but has undertaken to purchase.

10 Assets charged and collateral

The company has no assets charged or collateral.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of a few provisions for reporting class C.

Non-comparability

As this is the company's first financial year, comparative figures are not included. The financial year consists of the period 30.03.2022 - 31.12.2022.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, changes in inventories of finished goods and work in progress, own work capitalised, cost of sales and external expenses.

Revenue

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Own work capitalised

Own work capitalised comprises staff costs and other costs incurred in the financial year and recognised in cost for proprietary intangible assets.

Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for ordinary inventory writedowns.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc.

Staff costs

Staff costs comprise salaries and wages, and social security contributions, pension contributions, etc. for entity staff.

Other financial income

Other financial income comprises exchange gains on transactions in foreign currencies.

Other financial expenses

Other financial expenses comprise interest expenses.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

Balance sheet**Intellectual property rights etc.**

Intellectual property rights etc. comprise development projects in progress with related intellectual property rights.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred. When recognising development projects as intangible assets, an amount equalling the costs incurred less deferred tax is taken to equity in the reserve for development costs that is reduced as the development projects are amortised and written down.

The cost of development projects comprises costs such as salaries and amortisation that are directly and indirectly attributable to the development projects.

Intellectual property rights etc. are written down to the lower of recoverable amount and carrying amount.

Inventories

Inventories are measured at the lower of cost using the FIFO method and net realisable value.

Cost consists of purchase price plus delivery costs

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Tax payable or receivable

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises bank deposits.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Prepayments received from customers

Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.