Green Therma ApS

Automatikvej 1, 2860 Søborg

CVR no. 43 85 80 76

Annual report 2023

(As of the establishment of the Company 17 February - 31 December 2023)

Approved at the Company's annual general meeting on 24 April 2024

Chairman of the meeting:

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Jan Kauffmann

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Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Green Therma ApS for the financial year as of the establishment of the Company 17 February - 31 December 2023.

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 of the Company at 31 December 2023 and of the results of the Company's operations for the financial year as of the establishment of the Company 17 February - 31 December 2023.

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.

Søborg, 26 January 2024
Executive Board:

Jørgen Peter Rasmussen

Board of Directors:

Carl-Emil Horsleben Larsen Chairman	Jørgen Peter Rasmussen Board member	Rikke Hvilshøj Board member
Subodh Saxena Board member	Denis Jean Jørgen Viet-Jacobsen Board member	

Independent auditor's report

To the shareholders of Green Therma ApS

Opinion

We have audited the financial statements of Green Therma ApS for the financial year as of the establishment of the Company 17 February - 31 December 2023, which comprise 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 financial position of the Company at 31 December 2023 and of the results of the Company's operations for the financial year as of the establishment of the company 17 February - 31 December 2023 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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.

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 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 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 the 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.

Independent auditor's report

- 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 note 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 Statement Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 26 January 2024
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Martin Alsbæk
State Authorised Public Accountant
mne28627

Management's review

Company details

Name	Green Therma ApS
Address, Postal code, City	Automatikvej 1, 2860 Søborg
CVR no.	43 85 80 76
Established	17 February 2023
Registered office	Gladsaxe
Financial year	17 February - 31 December 2023
Board of Directors	Carl-Emil Horsleben Larsen, Chairman Jørgen Peter Rasmussen, Board member Rikke Hvilshøj, Board member Subodh Saxena, Board member Denis Jean Jørgen Viet-Jacobsen, Board member
Executive Board	Jørgen Peter Rasmussen
Auditors	EY Godkendt Revisionspartnerselskab Dirch Passers Allé 36, P.O. Box 250, 2000 Frederiksberg, Denmark

Management's review

Business review

The company's purpose is to complete the development and commercialization of an innovative geothermal solution for the district heating sector as well as industrial process heat and potentially for use in the production of district cooling and power.

Financial review

The income statement for 2023 shows a loss of DKK 4,181,427, and the balance sheet at 31 December 2023 shows equity of DKK 28,278,573.

The company is established in February 2023.

The company has in financial year 2023 focused on establishing partnerships and agreements in order to initiate a demonstration project of the geothermal solution; Heat4Ever with the DualVac pipe technology.

The management of the company, all of which are also shareholders, consists of people with backgrounds in the oil industry, geological conditions, the district heating and supply sector as well as the design, construction and operation of CHP plants, and precisely this combination of competencies is considered unique and essential to succeed in the purpose. The shareholders of the company are also major private investors and key employees of the company.

Loss for the year of 4.2 mio. kr. is as expected.

Events after the balance sheet date

No events materially affecting the Company's financial position have occurred subsequent to the financial year-end.

Financial statements for the period 17 February - 31 December 2023

Income statement

Note	DKK	2023 11 months
	Other external expenses	-1,725,924
	Gross profit	-1,725,924
2	Staff costs	-2,687,093
	Profit/loss before net financials	-4,413,017
3	Financial income	231,697
	Financial expenses	-107
	Profit/loss for the year	-4,181,427
	Recommended appropriation of profit/loss	
	Retained earnings/accumulated loss	-4,181,427
		-4,181,427

Financial statements for the period 17 February - 31 December 2023

Balance sheet

Note	DKK	2023
	ASSETS	
	Non-fixed assets	
	Receivables	
	Other receivables	5,177,571
	Prepayments	95,652
		5,273,223
	Cash	23,760,766
	Total non-fixed assets	29,033,989
	TOTAL ASSETS	29,033,989

Financial statements for the period 17 February - 31 December 2023

Balance sheet

Note	DKK	2023
	EQUITY AND LIABILITIES	
	Equity	
	Share capital	159,094
	Share premium account	32,300,906
	Retained earnings	-4,181,427
	Total equity	28,278,573
	Liabilities other than provisions	
	Current liabilities other than provisions	
	Trade payables	322,864
	Other payables	432,552
		755,416
	Total liabilities other than provisions	755,416
	TOTAL EQUITY AND LIABILITIES	29,033,989

1 Accounting policies
4 Contractual obligations and contingencies, etc.
5 Security and collateral

Financial statements for the period 17 February - 31 December 2023

Statement of changes in equity

DKK	Share capital	Share premium account	Retained earnings	Total
Cash payments concerning formation of enterprise	40,000	0	0	40,000
Capital increase	119,094	32,300,906	0	32,420,000
Transfer through appropriation of loss	0	0	-4,181,427	-4,181,427
Equity at 31 December 2023	159,094	32,300,906	-4,181,427	28,278,573

Financial statements for the period 17 February - 31 December 2023

Notes to the financial statements

1 Accounting policies

The annual report of Green Therma ApS for 2023 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

Reporting currency

The financial statements are presented in Danish kroner (DKK).

Income statement

Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Staff costs

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

Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

Balance sheet

Receivables

The Company has chosen IAS 39 as interpretation for impairment write-down of financial receivables.

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Receivables in respect of which there is no objective evidence of individual impairment are tested for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the debtors' domicile and credit ratings in line with the Company's risk management policy. The objective evidence applied to portfolios is determined based on historical loss experience.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected 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.

Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

Financial statements for the period 17 February - 31 December 2023

Notes to the financial statements

1 Accounting policies (continued)

Cash

Cash and cash equivalents comprise of cash and bank balances.

Liabilities

The Company has chosen IAS 39 as interpretation for liabilities.

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. On subsequent recognition, financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan. Financial liabilities also include the capitalised residual lease liability in respect of finance leases.

Other liabilities are measured at net realisable value.

DKK	2023 11 months
2 Staff costs	
Wages/salaries	2,630,278
Other social security costs	4,797
Other staff costs	52,018
	2,687,093
Average number of full-time employees	2
Number of employees at the balance sheet date	7
3 Financial income	
Other interest income	212,947
Other financial income	18,750
	231,697

4 Contractual obligations and contingencies, etc.

Other contingent liabilities	
Rent commitments	129,960
	129,960

5 Security and collateral

The Company has not provided any security or other collateral in assets at 31 December 2023.