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South Pole Denmark ApS

Hammerensgade 1, 2. th., 1267 København K

CVR no. 43 57 55 89

Annual report 2024

Approved at the Company's annual general meeting on 9 May 2025

Chairman of the meeting:

DocuSigned by:
Frederik Kehler
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Frederik Stage Kehler

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Statement by the Executive Board

Today, the Executive Board has discussed and approved the annual report of South Pole Denmark ApS for the financial year 1 January - 31 December 2024.

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

The annual report, which has not been audited, has been prepared in accordance with the provisions of the Danish Financial Statements Act. The Executive Board has considered the criteria for omission of audit to be met.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2024 and of the results of the Company's operations for the financial year 1 January - 31 December 2024.

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.

Copenhagen, 9 May 2025
Executive Board:

DocuSigned by:
Michael Weber
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Michael Weber
Director

DocuSigned by:
Frederik Kehler
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Frederik Stage Kehler
Director

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Management's review

Company details

Name	South Pole Denmark ApS
Address, Postal code, City	Hammerensgade 1, 2. th., 1267 København K
CVR no.	43 57 55 89
Established	29 September 2022
Registered office	København
Financial year	1 January - 31 December
Website	www.southpole.com
E-mail	c.lindblad@southpole.com
Executive Board	Michael Weber, Director Frederik Stage Kehler, Director
Bankers	Danske Bank Global Subs Bernstoffsgade 40, 1577 Kobenhavn V

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Management's review

Business review

The company's purpose is to deliver and offer climate and sustainability-related services. This includes climate and sustainability reporting, climate compensation, trading of emission rights and reduction units, and action programs for climate neutrality, energy neutrality and related services. The company facilitates and/or invests in projects that generate emission reduction units or similar instruments. The target group is predominantly companies and public companies globally and, to a lesser extent, individuals and other companies that are connected to this.

Financial review

The income statement for 2024 shows a loss of DKK 2,551,871 against a loss of DKK 634,989 last year, and the balance sheet at 31 December 2024 shows a negative equity of DKK 2,886,860.

The financial position at 31 December 2024 of the Company and the results of the activities of the Company for the financial year for 2024 have resulted in loss of the share capital. The company expects to be able to reestablish the capital through future profit.

During the second year of operation, the company encountered declining sales in the Voluntary Carbon Market. We also applied a more detailed transfer pricing methodology towards the allocation of global administrational and other overhead cost. This transition had a negative effect on the financial results of the Danish entity as we incurred higher costs. Our strategic plan, coupled with emerging market opportunities, positions us well to reverse the current deficit. We are confident that our targeted initiatives will drive profitability and yield positive financial results in the subsequent years.

South Pole Holding AG has issued a letter of financial support to the company to provide the necessary financial support to ensure the company's ability to pay it's liabilities.

Events after the balance sheet date

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

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Financial statements 1 January - 31 December

Income statement

Note	DKK	2024	2023
	Gross profit	286,292	1,494,649
3	Staff costs	-3,439,773	-2,294,915
	Profit/loss before net financials	-3,153,481	-800,266
4	Financial expenses	-118,148	-13,823
	Profit/loss before tax	-3,271,629	-814,089
5	Tax for the year	719,758	179,100
	Profit/loss for the year	-2,551,871	-634,989
	Recommended appropriation of profit/loss		
	Retained earnings/accumulated loss	-2,551,871	-634,989
		-2,551,871	-634,989

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Balance sheet

Note	DKK	2024	2023
	ASSETS		
	Non-fixed assets		
	Receivables		
	Trade receivables	15,589	2,272,465
	Receivables from group enterprises	4,022,815	1,425,494
	Deferred tax assets	898,858	179,100
	Other receivables	99,999	144,121
		5,037,261	4,021,180
	Cash	1,701,797	84,655
	Total non-fixed assets	6,739,058	4,105,835
	TOTAL ASSETS	6,739,058	4,105,835
	EQUITY AND LIABILITIES		
	Equity		
	Share capital	40,000	40,000
	Retained earnings	-2,926,860	-374,989
	Total equity	-2,886,860	-334,989
	Liabilities other than provisions		
	Current liabilities other than provisions		
	Trade payables	494,613	6,001
	Payables to group enterprises	8,582,139	3,829,337
	Other payables	549,166	605,486
		9,625,918	4,440,824
	Total liabilities other than provisions	9,625,918	4,440,824
	TOTAL EQUITY AND LIABILITIES	6,739,058	4,105,835

1 Accounting policies
2 Capital ratio
3 Staff costs
6 Contractual obligations and contingencies, etc.
7 Security and collateral
8 Related parties

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Financial statements 1 January - 31 December

Statement of changes in equity

DKK	Share capital	Retained earnings	Total
Equity at 1 January 2023	40,000	260,000	300,000
Transfer through appropriation of loss	0	-634,989	-634,989
Equity at 1 January 2024	40,000	-374,989	-334,989
Transfer through appropriation of loss	0	-2,551,871	-2,551,871
Equity at 31 December 2024	40,000	-2,926,860	-2,886,860

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Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of South Pole Denmark ApS for 2024 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.

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

Reporting currency

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

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rate 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 and payables and other monetary items denominated in foreign currencies are translated at the exchange rate 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 most recent financial statements is recognised in the income statement as financial income or financial expenses.

Income statement

Revenue

The Company has chosen IAS 18 as interpretation for revenue recognition.

The revenue of the company consists of selling climate calculations, consulting hours and climate credits. With the consulting hours we help companies understand and reduce their emissions. The climate credits sold are certificates of support for certified climate projects around the world.

Gross profit

The items revenue, cost of sales, other operating income and external expenses have been aggregated into one item in the income statement called gross profit in accordance with section 32 of the Danish Financial Statements Act.

Other operating income

Other operating income comprise items of a secondary nature relative to the Company's core activities, including gains on the sale of fixed assets.

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.

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Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Financial expenses

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

Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

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.

Cash

Cash comprice of cash at bank.

Income taxes

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

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to 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. Deferred tax assets are recognised at the expected value of their utilisation; 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. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

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Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

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.

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Notes to the financial statements

2 Capital ratio

During the continuous operation of the company, we have encountered some market challenges. There has been a drop in the Voluntary Carbon Market. We have had to reduce the number of employees to meet the market conditions. Despite these difficulties, we have laid a robust foundation for scaleable growth and market penetration. Our strategic plan, coupled with emerging market opportunities, positions us well to reverse the current deficit. We are confident that our targeted initiatives will drive profitability and yield positive financial results in the subsequent years.

South Pole Holding AG has issued a letter of financial support to the company to provide the necessary financial support to ensure the company's ability to pay it's liabilities.

DKK	2024	2023
3 Staff costs		
Wages/salaries	2,973,251	2,252,300
Pensions	232,379	5,800
Other social security costs	173,532	36,815
Other staff costs	60,611	0
	3,439,773	2,294,915
Average number of full-time employees	3	4
4 Financial expenses		
Interest expenses, group entities	118,148	0
Other interest expenses	0	13,823
	118,148	13,823
5 Tax for the year		
Deferred tax adjustments in the year	-719,758	-179,100
	-719,758	-179,100

6 Contractual obligations and contingencies, etc.

Other contingent liabilities

The Company has no contractual obligations and contingencies etc.

7 Security and collateral

The Company has not provided any security or other collateral in assets at 31 December 2024.

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Notes to the financial statements

8 Related parties

Information about consolidated financial statements

Parent	Domicile	Requisitioning of the parent company's consolidated financial statements
South Pole Holding AG	Technoparkstrasse 1, 8005 Zürich, Switzerland	Technoparkstrasse 1, 8005 Zürich, Switzerland