



Karbon
Equity

Financial Statements 2024



Karbon Equity AS

Business registration number: 933 225 313

The financial statements for Karbon Equity AS consist of the following items:

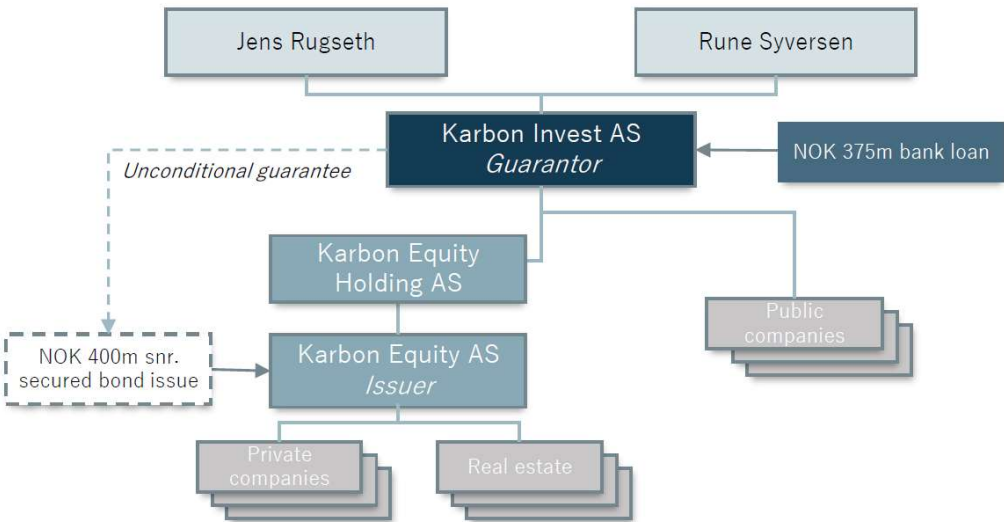
- Annual Report 2024
- Income Statement
- Balance Sheet
- Cash Flow Statement
- Notes



Karbon Equity AS – The Board of Directors’ Report 2024

Karbon Equity AS (the Company) is an entity, ultimately owned by Karbon Invest AS (Parent), and controlled by co-founders Jens Rugseth and Rune Syversen through their respective holding companies. Jens Rugseth owns 43.57% and 17.82% of the shares in the Parent through Rugz AS and Rugz II AS, respectively. Rune Syversen and his family own 38.26% of the shares through Sevens AS. The remaining 0.35% is owned by CEO Christian Breddam through his holding company Snow AS.

The figure below shows a simplified group structure.



Karbon Equity AS was established in March 2024 to optimize funding and separate the listed and unlisted assets in the Parent’s portfolio, whereof the Company now owns the unlisted assets (including a real estate portfolio). The unlisted assets were transferred to the company and the operation started in June 2024.

The Company's principal activities are investments, including investments in real estate and securities, consulting services related to board work, strategy work and financial management, as well as activities naturally connected to this.

The Company's portfolio comprises the following main investments (see note 4 and note 5):

Company name/Fund	Business description	Time of main investment (by Parent)
The Social Gaming Group Holding AS ("TSGG")	Gastro-gaming concept developed through proprietary technology supported by a high-end food and drink offering.	2019



PetXL Group AS	PetXL is a pet concept with physical stores, online stores and veterinarians, offering a superior “one-stop shop” concept with bigbox locations.	2019
Rift Labs AS	Rift Labs develops patented LED-light products within cinema lighting and CEA (Controlled Environment Agriculture/Photosynthetic).	2019
Holdco Spirit AS ("Ecura")	Ecura is a Norwegian based health and care service provider with decades of experience, specializing in Assisted Living and Habilitation, Home Services and BPA, and Care Services.	2021
Holdco Compact AS ("Evo")	Evo is a fitness club chain operating in the premium compact segment with unmanned training centers with a low to mid-range price point.	2021
Lettbutikk AS	Lettbutikk is a 3PL and e-commerce fulfilment company solving key logistical problems in a growing market.	2021
Holdco Play AS ("Sprell")	Sprell sells toys, baby equipment and kids interior, with a focus on long-lasting quality products made with sustainable materials.	2022
Karbon Eiendom AS ("Karbon Eiendom")	Real estate portfolio across retail, office, and logistics.	2015
IK fund shares in Norselab Meaningful Equity I	Meaningful Equity I invests in companies with potential net positive impact in industries with significant sustainability challenges. The fund looks for companies driving positive change through their core products or services that have proven value to their customers and are ready to scale.	2023
Defigo AS	Defigo offers digital access control as a service for commercial and residential buildings.	2018
Memcare AS	Memcare is an Oslo/Warsaw based technology company, established in 2016 providing funeral homes with the industry's most innovative solutions, to the bereaved and funeral homes globally.	2024

Karbon Eiendom AS, a company controlled by the Karbon Equity AS, has the following real estate investments:

Property	Ownership stake	Time of main investment
Karbon Eiendom Utvikling AS	100%	2019



Drammensveien 49 AS	100%	2020
Billingstadsletta AS	11%	2021
Lyngbakkvegen 1 AS	100%	2021
Bulk Park Enebakk II AS	49%	2021
Samfunnsbygg Norge AS	100%	2021
Sagene Vognhaller Invest AS	28.62%	2022

Main investments in 2024

Karbon Equity made the following investments in 2024:

- Investment of approximately NOK 25,1 million in PetXL Group AS
- Investment (loans) of NOK 24,5 million in TSGG
- Investment of approximately NOK 10 million in Memcare AS
- Investment of approximately NOK 6,9 million in TSGG
- Investment (loan) of approximately NOK 6,6 million in Holdco Play AS (Sprell)

Financial Highlights

The Shareholders of PetXL Group AS finalized the sale of all shares in PetXL Group AS to Pet Pawr Group AB (PPG) on January 9, 2025. Karbon Invest AS and Karbon Equity AS collectively received stocks in PPG with a book value of NOK 253.6 million. In order to complete the transaction, Karbon Invest AS has utilized available funding to clear existing shareholder debt, subscription rights and make available cash to PetXL Group AS, which was agreed as part of the transaction. As a consequence of this, approximately 62% of Karbon's total ownership as of 31 December 2024 in PetXL Group AS (prior to transaction with PPG) was held by Karbon Invest AS. The net financial result for Karbon Invest AS and Karbon Equity AS combined, due to the transaction with PPG, is a net gain of NOK 25.8 million. However, for Karbon Equity AS, the transaction results in a write-down of book values by NOK 28.8 million due to the structure of the deal. We expect the values accumulated in Karbon Invest AS, as part of the transaction, to become part of Karbon Equity in due course.

Ecura resolved to pay a dividend of NOK 14.11 per share. This dividend, amounting to NOK 55,3 million for Karbon Equity AS, was paid on February 11, 2025, and is reflected in the financial accounts of Karbon Equity AS as of December 31, 2024.



There has been a positive development in the portfolio¹ throughout 2024. Evo and Ecura, have been performing strong and are the main drivers behind the results, but also TSGG and Sprell are positive contributors especially during the second half of the year, despite challenging markets for both companies. Total portfolio net sales in 2024 are up by 10% (12% ownership adjusted) compared to 2023. Gross margin has improved by 14% (16% ownership adjusted) and OPEX to revenue has decreased from 31.7% in 2023 to 31.4% in 2024. EBITDA has improved by NOK 53.3 million in 2024 (NOK 29.5 million ownership adjusted).

The divestment of Samfunnsbygg Norge AS remains active and is expected to conclude within the second quarter of 2025.

¹ The portfolio is defined and limited to subsidiaries and associated companies, excluding Karbon Eiendom AS and the Karbon Equity AS (Ecura, Evo, PetXL, TSGG, Lettbutikk, Rift Labs and Sprell)



Statement of the Annual Report

The financial statements are to the best of our knowledge prepared in accordance with applicable accounting standards and provide a true and fair representation of the Company's assets, liabilities and financial position.

The financial statements have been prepared in accordance with the Norwegian Generally Accepted Accounting Principles (NGAAP). According to NGAAP, investments are recorded at their acquisition cost, less any accumulated depreciation and impairments. Consequently, the financial statements do not reflect the fair market value of these investments, and any appreciation in value is not recognized in the profit and loss accounts.

Income statement

Karbon Equity AS' operating revenue for 2024 amounted to NOK 3.5 million. This revenue primarily consists of consultancy fees charged to portfolio companies for services related to IT, finance, and M&A.

Total operating expenses in 2024 were NOK 9.7 million. Operating expenses mainly include salary expenses, fees related to the establishment of Karbon Equity AS and cost related to the bond issue.

Financial expense in 2024 was NOK 26.3 million, primarily interest expense related to the bond.

The change in value of financial assets was NOK 28.8 million. This relates to the PetXL-transaction as described above.

Other financial income was NOK 60.4 million. This is mainly the dividend from Ecura (NOK 55.3 million) and interest from loans to group companies.

Karbon Equity AS' net loss was NOK 0.9 million in 2024.

Cash Flow

Karbon Equity AS' total cash flow was NOK 25.2 million in 2024.

Cash flow from operation amounted to NOK -34.5 million, while the net loss was NOK 0.9 million. The difference is mainly explained by 1) the dividend from Ecura which was paid out in February 2025, but reflected in the 2024 financial statements, and 2) the change in value of financial assets, related to the PetXL-transaction.

The cash flow from investing activities totaled NOK -379.1 million. This consists mainly of repayment of loans to group company (NOK 312.0 million to Karbon Invest AS) as part of the establishment of Karbon Equity AS and the drop-down of assets from Karbon Invest. The remaining amounts relate to



loans to group companies and investments in shares. Overview of main investments in 2024 is listed above.

Cash flow from financing activities amounted to NOK 438,8 million. In addition to the bond issue (NOK 400 million), this includes shareholder loans from Karbon Invest AS (NOK 38.8 million).

Financial Position

Karbon Equity AS' cash balance at 31 December 2024 was NOK 25.2 million. The company's current liabilities accounted for 1% of the total debt in the group. The company is able to repay its short-term debt and the company's overall financial position is considered strong.

At year-end 2024, total assets were NOK 1,181 million. The equity ratio based on book values 31 December 2024 was 58.4%. The net loan-to-value ratio, calculated in accordance with the bond terms, was 31.7%.

Financial Risk

Karbon Equity AS faces financial risk in various areas. The company mitigates this by maintaining a balanced, diversified portfolio across various sectors such as retail, real estate, and healthcare.

Market risk

Karbon Equity AS is exposed to fluctuations in interest rate levels, as most of its long-term debt is calculated based on floating market rates. To mitigate this risk, the company has entered into interest rate swaps, and as of 31 December 2024, 82.2% of the total long-term debt was hedged with interest rate swaps.

Credit risk

Karbon Equity AS has stable operations with minor fluctuations in working capital. The risk of counterparts being unable to honor their obligations is considered moderate to low.

Liquidity risk

There is inherent risk associated with short-term and long-term liquidity risk. The company focus on monitoring and addressing short terms concerns such as capital needs in portfolio companies and long-term considerations like the maturity of long-term debt.

Going concern

In accordance with Account Act § 3-3a, the Board of Directors confirms that the financial statements have been prepared under the assumption of going concern.



Organization and Working environment

The company has no employees. The Board of Directors currently consists of two men.

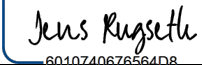
Exterior Environment

Karbon Equity AS is not deemed to have a significant impact on the external environment through pollution or emissions and is not subject to any regulatory requirements or licensing obligations in this regard.

Transparency act

The Transparency Act in Norway aims to support fundamental human rights and fair working conditions. The board is required to prepare and publish a "human rights due diligence" report. This report assesses potential risks that could negatively affect human rights and decent working conditions within the supply chain. The board's official statement can be found on the company's website, <https://karbon.no/no/about/>.

28 April, 2025

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Jens Rugseth
Chairman of the Board

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Rune Syversen
Member of the Board

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Christian Krag Breddam
CEO



Income Statement Karbon Equity AS

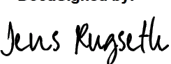
Note	Operating Revenue and Operating Expenses	2024
1	Revenue	3 475 565
	Total operating revenue	3 475 565
2	Other operating expenses	-9 709 079
	Total operating expenses	-9 709 079
	Operating profit/loss	-6 233 514
	Financial Income and Financial expenses	
3	Other financial expenses	-26 278 840
	Change in value of subsidiaries	-28 790 601
3	Other financial income	60 447 068
	Financial items, net	5 377 627
	Profit/(loss) before taxation	-855 887
4	Tax	0
	Profit/(loss) after taxation	-855 887



Balance Sheet Karbon Equity AS

Note	Assets	2024
5	Investments in subsidiary companies	753 548 900
5	Investments in associated companies	264 211 341
6	Other investments	19 792 708
	Loans to group companies	54 250 747
	Total financial non-current assets	1 091 803 696
	Accounts receivables	2 050 853
3	Other receivables	61 858 100
	Total receivables	63 908 953
	Cash and cash equivalents	25 223 027
	Total Current assets	89 131 980
	Total Assets	1 180 935 675
Shareholders Equity and Liabilities		
7	Share capital	-69 061 693
8	Share premium	-620 429 350
	Total paid-in capital	-689 491 043
9	Bonds	-400 000 000
	Debt to Karbon Invest	-86 773 600
	Total non-current liabilities	-486 773 600
	Accounts payable	-4 671 032
	Total current liabilities	-4 671 032
	Total shareholders equity and liabilities	-1 180 935 675

28 April, 2025

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 Jens Rugseth
 Chairman of the Board

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 Rune Syversen
 Member of the Board

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 Christian Krag Breddam
 CEO



Cash flow statement Karbon Equity AS

Cash flow statement Karbon Equity	2024
Profit / (loss) before taxation	-855 887
Δ Account receivables	-2 050 853
Δ Other receivables	-54 095 322
Δ Accounts payable	4 671 032
Δ Other assets and other liabilities	-10 259 748
Δ Value of financial assets	28 062 892
Net cash flow from operations	-34 527 885
Cash Flow from investment activities	
Inflows due to investments in financial non-current assets	3 000 000
Investments in subsidiary companies	-15 933 948
Other investments	-10 000 002
Loans to group companies	-44 118 730
Outflow due to repayment of loans to parent company	-312 000 000
Net cash flow from investment activities	-379 052 680
Cash Flow from financing activities	
Inflow bond issue	400 000 000
Δ Shareholder loan from Karbon Invest	38 773 600
Net cash flow from financing activities	438 773 600
Net change in bank deposits, cash and equivalents	25 193 035
Bank deposits, cash and equivalents (opening balance)	29 992
Bank deposits, cash and equivalents (closing balance)	25 223 027



Notes to the accounts – 2024

Note 0 Accounting principles

The financial statements have been prepared in accordance with the Norwegian Accounting Act and generally accepted accounting principles in Norway.

Revenue

Sale of services: Revenue is recognized when it is earned, i.e. when the claim to remuneration arises. This occurs when the service is performed, as the work is being done. The revenue is recognized with the value of the remuneration at the time of transaction.

Cost of sales and other expenses

In principle, cost of sales and other expenses are recognized in the same period as the revenue to which they relate. In instances where there is no clear connection between the expense and revenue, the apportionment is estimated. Other exceptions to the matching criteria are disclosed where appropriate.

Income taxes

Tax expenses are matched with operating income before tax. Tax related to equity transactions e.g. group contribution, is recognized directly in equity.

Tax expense consists of current income tax expense and change in net deferred tax. Deferred tax liabilities and deferred tax assets are presented net in the balance sheet.

Valuation and classification of assets and liabilities

Assets intended for permanent ownership or use in the business are classified as non-current assets. Other assets are classified as current assets. Receivables due within one year are classified as current assets. The classification of current and non-current liabilities is based on the same criteria.

Current assets are valued at the lower of historical cost and fair value.

Fixed assets are carried at historical cost but are written down to their recoverable amount if this is lower than the carrying amount and the decline is expected to be permanent. Fixed assets with a limited economic life are depreciated on a systematic basis in accordance with a reasonable depreciation schedule.

Other long-term liabilities, as well as short-term liabilities, are valued at nominal value.

*Other shares classified as non-current assets*

Other non-current investments in shares and in general and limited partnerships, in which the company does not have significant influence, are carried at cost. The investments are written down to fair value if a decline in the value is expected to be permanent. Dividends received from these companies are recognized as financial income.

Shares in subsidiaries and associates

Subsidiaries and investments in associates are carried at cost. A write-down to fair value will be performed if the impairment is not considered to be temporary, and an impairment charge is deemed necessary according to generally accepted accounting principles. Received dividends and group contributions are recognized as other financial income. The same applies for investments in associates. Dividends from subsidiaries and associated companies are recognized as income in the same years as they are decided in the underlying company, if the company has control over the decision.

Receivables

Trade receivables and other receivables are recognized at nominal value, less the accrual for expected losses of receivables. The accrual for losses is based on an individual assessment of each receivable.

Foreign currency

All balance sheet items denominated in foreign currencies are translated into NOK at the exchange rate prevailing at the balance sheet date.

Consolidated financial statements

Karbon Equity AS is included in the consolidated financial statements for Karbon Invest AS and does not prepare its own consolidated financial statements, in accordance with the Norwegian Accounting Act § 3-7. The consolidated financial statements are available at Karbon Invest AS.



Note 1 Sales revenue

Per area of operation	2024
Consulting services	3 475 565
Sum	3 475 565

Note 2 Fee to auditor

Remuneration to BDO AS and their associates is as follows:

	2024
Statutory audit	0
Other assurance services	242 000
Sum	242 000

Note 3 Financial income and financial expenses

Financial income	2024
Interest received	2 314 781
Dividends from associated companies	55 338 654
Other financial income	2 793 633
Sum	60 447 068

Dividends from associated companies, NOK 55 338 654 are included in other receivables.

Financial expenses	2024
Interest paid	24 411 183
Other financial expenses	1 867 657
Sum	26 278 840



Note 4 Income tax expense

Specification of income tax expense:

	2024
Current income tax payable	0
Changes in deferred tax	0
Tax on profit/loss	0

Reconciliation from nominal to real income tax rate:

	2024
Profit/Loss before taxation	-855 887
Estimated income tax according to nominal tax rate (22%)	-188 295
The tax effect of the following items:	
Tax-free dividends	-12 449 538
Other non-deductible expenses (Impairment financial assets)	6 333 932
Change in the disparagement of the deferred tax benefit	6 303 901
Income tax expense	0
Effective income tax rate	0 %

Specification of the tax effect of temporary differences and losses carried forward:

	2024	
	Benefit	Liability
Losses carried forward	6 303 901	0
Total	6 303 901	0
Off-balance sheet deferred tax benefits	6 303 901	
Net deferred benefit/liability in the balance sheet	0	

The deferred tax benefit is not included in the balance sheet.



Note 5 Investments in subsidiaries and associated companies

Subsidiaries	Share	Value
The Social Gaming Group Holding AS	89 %	366 933 948
Karbon Eiendom AS	99 %	221 000 000
PetXL Group AS	30 %	96 356 286
Lettbutikk AS	80 %	69 258 666
Sum		753 548 900

Associated companies

Holdco Spirit AS	38 %	103 512 663
Holdco Compact AS	40 %	78 569 703
Holdco Play AS	39 %	51 458 076
Rift Labs AS	34 %	30 670 899
Sum		264 211 341

Note 6 Other investments

Other shares	Value
Defigo AS	2 504 320
Norselab AS	7 288 386
Memcare AS	10 000 002
Sum	19 792 708

Note 7 Share capital and shareholder information

	Shares	Ownership share	Voting share
Karbon Equity Holding AS	69 061 693	100 %	100 %

Styrets leder Jens Rugseth kontrollerer indirekte 61,39% av aksjene, styremedlem Rune Syversen kontrollerer indirekte 38,26% av aksjene og daglig leder Christian Breddam kontrollerer indirekte 0,35% av aksjene.

Note 8 Equity

	Share capital	Share premium	Total equity
Equity at 13. June 2024	30 000		30 000
Capital increase/reduction	69 031 693	621 285 237	690 316 930
Loss for the financial year		-855 887	-855 887
Equity as of 31 December 2024	69 061 693	620 429 350	689 491 043



Note 9 Bond

Karbon Equity AS issued a secured Bond (ISIN NO0013265173) up to NOK 700 million in June 2024. The initial Bond issue was NOK 400 million, and no further tap issues were made in 2024. The interest rate is set to NIBOR + 7%, and the maturity date is 28 June 2027. The Bond is listed on Nordic ABM (KARBE01 PRO). As security for Karbon Equity AS's obligations under the bond, the following security arrangements have been established: (i) a pledge over all shares in Karbon Equity AS; (ii) a charge over all of Karbon Equity AS's bank accounts; and (iii) a parent guarantee from Karbon Invest AS, limited to NOK 840 million.

Note 10 Subsequent events

The Shareholders of PetXL Group AS finalized the sale of all shares in PetXL Group AS to Pet Pawr Group AB (PPG) on January 9, 2025. Karbon Invest AS and Karbon Equity AS collectively received stocks in PPG with a book value of NOK 253.6 million. In order to complete the transaction, Karbon Invest AS has utilized available funding to clear existing shareholder debt, subscription rights and make available cash to PetXL Group AS, which was agreed as part of the transaction. As a consequence of this, approximately 62% of Karbon's total ownership as of 31 December 2024 in PetXL Group AS (prior to transaction with PPG) was held by Karbon Invest AS. The net financial result for Karbon Invest AS and Karbon Equity AS combined, due to the transaction with PPG, is a net gain of NOK 25.8 million. However, for Karbon Equity AS, the transaction results in a write-down of book values by NOK 28.8 million due to the structure of the deal. We expect the values accumulated in Karbon Invest AS, as part of the transaction, to become part of Karbon Equity in due course.

To the General Meeting of Karbon Equity AS

Independent Auditor's Report

Opinion

We have audited the financial statements of Karbon Equity AS.

The financial statements comprise:

- The balance sheet as at 31 December 2024
- The income statement for 2024
- Statement of cash flows for the year that ended 31 December 2024
- Notes to the financial statements, including a summary of significant accounting policies

In our opinion:

- The financial statements comply with applicable statutory requirements, and
- The financial statements give a true and fair view of the financial position of the Company as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards 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 as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Board of Directors and the Managing Director (management) are responsible for the other information. The other information comprises the Board of Directors' report. Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on the Board of Directors' report

Based on our knowledge obtained in the audit, in our opinion the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, 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 insofar as it is not likely that the enterprise will cease operations.

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 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.

For further description of Auditor's Responsibilities for the Audit of the Financial Statements reference is made to:

<https://revisorforeningen.no/revisjonsberetninger>

BDO AS

Roald Haugland
State Authorised Public Accountant
(This document is signed electronically)

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"Med min signatur bekrefter jeg alle datoer og innholdet i dette dokument."

Haugland, Roald

Partner

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