



# Sustainability Journey with Klappir

Including Financials for the First Half of 2024



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# Message from the CEO

As we step into 2024, our commitment to positioning Klappir for rapid growth has been unwavering. We have focused on enhancing the scalability of our Platform, setting the stage for a future of accelerated expansion.

The first half of the year has been marked by significant achievements, with our impact within the ecosystem continuing to evolve dynamically. A key milestone has been reached as we empower companies with robust sustainability regulatory accounting, comprehensive reporting, and seamless data sharing through our advanced software. Our strategic expansion is gaining momentum as we strengthen our sales channels through a growing partner network. This expansion unlocks new growth opportunities, particularly in the EU market, where we, alongside our partners, are well-positioned to capitalize on emerging possibilities and propel Klappir's success to new heights.

Our investment in Customer Success has reached new levels of ability. By integrating customer feedback and fostering a customer-centric culture, we have not only enhanced our service delivery but also deepened relationships with our partners and clients. Our ecosystem-driven approach has fostered a cohesive and collaborative environment, fueling mutual success and driving value for all stakeholders.

Our continuous investment in research and development has led to the creation of innovative Platform capabilities, equipping Klappir customers with the tools needed to comply with the latest Corporate Sustainability Reporting (CSRD) directives and European Sustainability Reporting Standards (ESRS). Coupled with our strengthened focus on Customer Success, we are providing our customers with a formidable competitive edge, establishing them as sustainability leaders in their industries.

Financially, the first half of 2024 has been strong. We have achieved notable revenue growth, driven by rising demand for our innovative solutions and strategic market expansions. Our disciplined financial management, coupled with strategic investments, has laid a solid foundation for sustained growth. The improved performance year-on-year is largely due to increased subscription revenues and efficient cost management—achieved through heightened product development efficiency, reduced reliance on consultants, and a lower sales and marketing cost ratio relative to sales results.

Looking ahead, our priorities remain clear: to continue innovating, deepen our commitment to sustainability, and drive customer success. We will leverage our strengths, seize new opportunities, and navigate challenges with resilience and agility.

To enhance Klappir's presence within the Nordic region, we are considering the possibility of a dual listing in another Nordic country. This strategic move would not only bolster our Nordic identity but also provide greater access to larger investor groups with a strong focus on sustainability.



**Jon Agust Thorsteinsson, CEO**



# Business highlights

## 1H 2024

### Impact

- Klappir's ecosystem is expanding, with new opportunities emerging in the global markets.
- The global partner network is growing, now encompassing 24 partners who are steadily increasing Klappir's marketing presence and reach across various markets.
- Significant product releases have been made to ensure compliance with legal sustainability frameworks like the CSRD.
- A new Customer Success service portfolio has been released, fully aligned with the Platform subscription plans.
- Subscription revenue increased by 21.8% year over year (YoY).
- The operating profit increased by 415.1% YoY.
- The net profit increased by 121.3% YoY.

### Financial

- Annual Recurring Revenue (ARR) was 358.5 million.
- EBITDA was 58.0 million (19,5%), compared with 43.6 million (15,7%) in 1H 2023.
- Operating profit (EBIT) was 31.6 million, compared with 6.1 million in 1H 2023.
- Net profit was 15.6 million, compared with 7.0 million in 1H 2023.
- Total assets were 447.3 million, compared with 683.8 million in 1H 2023.
- Total liabilities were 473.3 million compared with 303.8 million in 1H 2023.
- Equity ratio was 46.8%, compared with 55.6% in 1H 2023.
- Cash and cash equivalents at the end of 1H 2024 was 158.5 million.



A scenic mountain landscape with a large green curved graphic element on the right side. The background shows a vast mountain range with rugged peaks, some snow patches, and a valley below. The sky is clear blue with some light clouds. The green graphic is a thick, curved line that starts from the top right and curves downwards and to the left, ending near the bottom right corner.

Section 1

# Preface





# Customer Challenges

**Our customers are experiencing a growing need to integrate sustainability into their core operations for several compelling reasons:**

## **Paradigm Shift in Business Practices**

The imperative for businesses to adopt sustainable practices has never been stronger. Investors, consumers, and regulators alike are demanding greater accountability and transparency regarding environmental and social impacts. This shift is redefining business success, with sustainability becoming a key driver of competitive advantage.

## **Compliance Risks**

As regulatory landscapes evolve, the risk of non-compliance with sustainability regulations poses significant challenges. Companies must navigate complex and stringent regulatory requirements to avoid legal repercussions and potential fines. Moreover, compliance is not just about avoiding penalties; it is about maintaining trust and credibility in the market.

## **Accuracy and Transparency**

Inaccurate or misleading data can have severe consequences, from damaging reputations to facing legal actions. Ensuring the accuracy and integrity of sustainability data is crucial. The market demands transparency, and businesses must provide reliable and precise information to stakeholders.

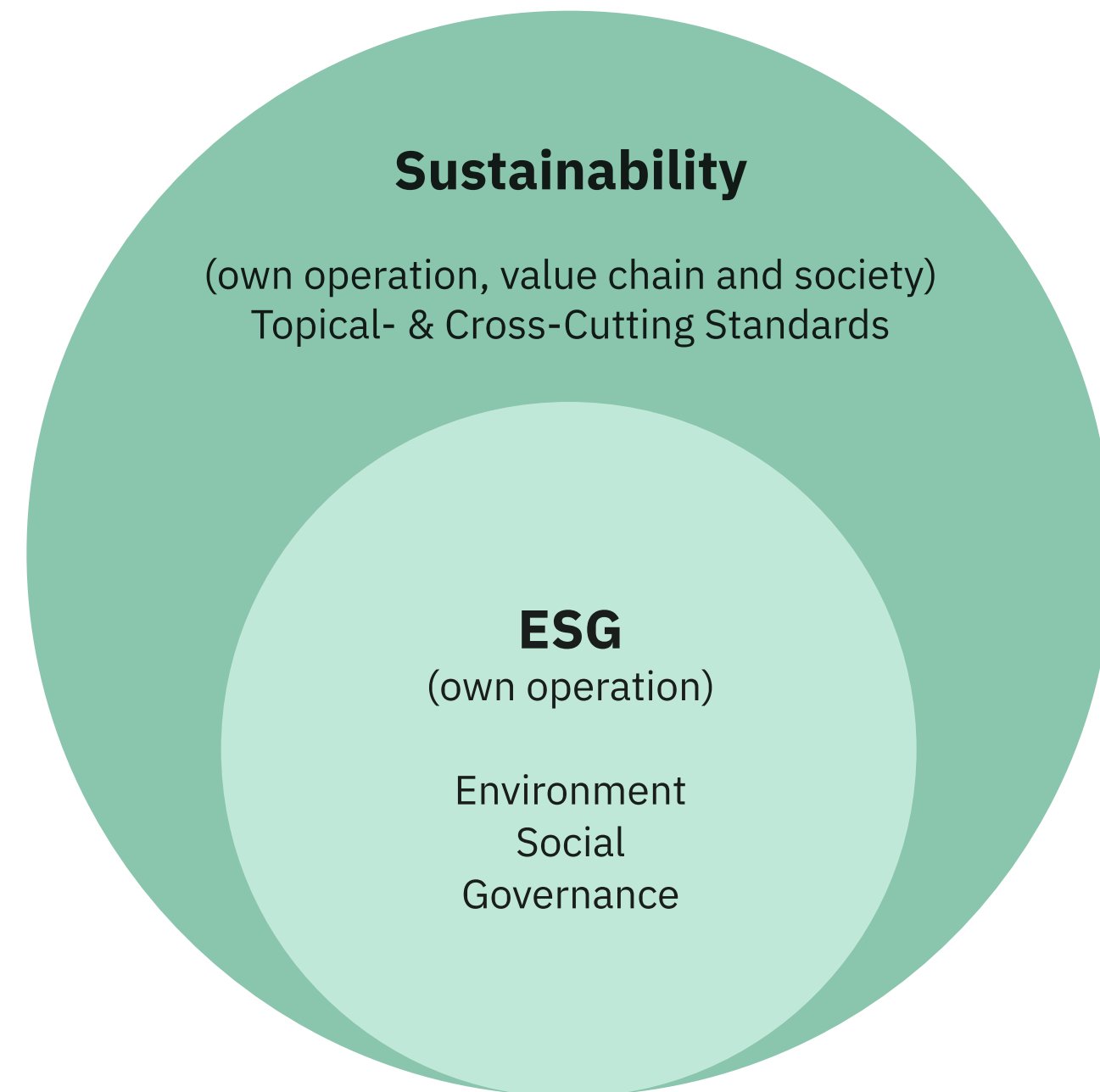
## **Cost of Ad Hoc Systems**

Traditional approaches to sustainability management, which often rely on a patchwork of ad hoc systems and costly external services, are not only inefficient but also prohibitively expensive. Businesses need integrated, cost-effective solutions that deliver consistent and reliable results without the excessive costs associated with fragmented systems.

With this ebook we highlight how Klappir cutting-edge technology and dedicated customer success will help you in meeting these challenges ahead.



# The Sustainability Journey



ESG as a standard approach includes mostly own operation (own emissions, social factors and governance). While sustainability includes additionally both value chain performance, economy and society.

There is often confusion surrounding the distinction between ESG and Sustainability, with these terms frequently being used interchangeably.

While ESG and sustainability are closely related and often overlap, ESG is more focused on specific criteria used for investment decisions, and sustainability encompasses a broader, more comprehensive approach to ensuring long-term environmental, social, and economic health.

**ESG** (Environmental, Social, and Governance) emerged as a terminology for investors and businesses to simplify and streamline their approach to sustainability, with guidelines promoted by organizations such as Nasdaq. ESG focuses on specific criteria that investors use to evaluate a company's ESG performance.

**Sustainability** is a broader concept encompassing much wider range of environmental, social, and governance factors and as well includes the society and economic factors.

The European Union (EU) is one of the pioneers in introducing sustainability within regulatory framework and has been at the forefront of promoting sustainability through various directives and regulations aimed at enhancing environmental protection, social responsibility, and governance practices. This includes CSRD, Taxonomy and SFDR and more regulations that are on the horizon.

#### Scope:

- **ESG** is a specific set of criteria mainly used to assess company performance,
- **Sustainability** is a broader concept that applies to overall practices and policies aimed at long-term viability and balance.

#### Application:

- **ESG** focuses on how environmental, social, and governance factors impact a company's financial performance and risk profile.
- **Sustainability** focuses on the overall impact of practices and policies on the environment, society, and economy.

#### Audience:

- **ESG** is primarily investor-focused, providing a framework for making informed investment decisions.
- **Sustainability** is broader, targeting various stakeholders, including businesses, governments, communities, and investors, to promote long-term health and viability of the planet and societies.



# From ESG to Sustainability

## ESG Transition to ESG

The ESG focus often begins when companies realize that Environmental, Social and Governance processes can lead to operational cost savings and reduce their risk of being non-compliant to regulations and stakeholder's expectations.

This is usually the stage in which half to full-time sustainability personnel takes ownership of the ESG conversation and starts to set up processes around ESG.

## ESG Reporting on own operation

In the ESG reporting phase, the work is to find good way of collecting and processing data on environmental (E) load of the company, understand and measure social factors such as own workforce (S) and governance (G) processes.

Here companies have selected the ESG guidelines or a standard to follow.

During this stage the sustainability personnel focuses primarily on the E factors and works closely with HR and marketing to be able to gather accurate data around S and G factors to include in the ESG report.

## Sustainability Transition from ESG to Sustainability

When a company decides to move from ESG to a broader focus on sustainability, the management team is committed to gradually embedding sustainability practices into the business model and align the governance structure around sustainability.

The regulatory environment is carefully mapped, ensuring that sustainability processes are over time seamlessly integrated with economic processes.

The sustainability team is well aligned with HR, Marketing and Finance.

## Sustainability Extended reporting

Next phase in the sustainability journey is when a company decides to add new factors to the traditional ESG framework in line with regulatory frameworks like CSRS/ESRS.

These factors include the business strategy, impact, risk and opportunities management, double materiality assessment, and responsibility toward the value chain.

The use of policies and strategies become a driving force for improved sustainability performance.

The governance structure around sustainability is clear and sustainability is preferably owned by the top level management (C-level).

## Sustainability Regulatory compliance and purpose driven company

In this phase the regulatory compliance is integrated into the business model. This is the last step for the company to take to become truly purpose driven.

It is a transition into an entity focused on creating value for society and the environment as well as focusing on its own profit and growth. Sustainability follows a top-down management structure and becomes the main driver in all decision-making processes.

Sustainability statements that include economic aspects are disclosed to stakeholders at least annually, ensuring transparency and accountability in their sustainability efforts.

The governance structure around sustainability is cross functional with clear ownership and accountability from the board.





# Digital transformation for sustainable future

To avoid wide-scale environmental degradation, catastrophic climate change and loss of biodiversity, we have to fundamentally shift our global economic systems towards more sustainable trajectories within precious and limited time.

Our society must come to terms with a desperate need for increased sustainability awareness and a partnership fuelled by frontier digital technologies. Comprehensive cooperation and data sharing are the key to success.

Monitoring and interconnecting activities in a global accounting system will be an indispensable element of organizations' competitive, legal, and regulatory strategies, as well as for governments at every level.

Increased sustainability awareness is a social and economic imperative. Companies will need – and want – to respond to existing environmental rules and regulations, anticipate the legislative agenda and be prepared to comply, quickly and efficiently. They – and we – have a social compact to make the world more livable.

Sustainability will not be viewed as a painful cost of doing business; companies will work with sustainability at the core of their business and therefore build bridges between their sustainability processes and operational improvements.

Therefore, in the years to come, there will be a growing demand for efficient digital solutions to improve the speed and accuracy of decisions related to sustainability accounting, analytical processing, environmental predictions and goal setting.



Section 2

# The Sustainability Market



# Global agreements are forming green economy



## UN Sustainable Development Goals (2015).

Blueprint to achieve a better and more sustainable future. The 17 Goals are all interconnected, and in order to leave no one behind.



PARIS2015  
UN CLIMATE CHANGE CONFERENCE  
COP21-CMP11

**COP 21 - The Paris Agreement (2015)** places an obligation on countries to determine, plan, and regularly report on the contribution undertaken to mitigate global warming.

European union, including Iceland and Norway, is leading the way with two main systems that covers emissions in their area:

- **EU ETS** trading system is a cornerstone of the EU's policy to combat climate change and its key tool for reducing greenhouse gas emissions cost-effectively in specific sectors like maritime, aviation and heavy industries.
- **EU ESR** (effort sharing regulation). Non-ETS industries have binding annual greenhouse gas emission targets. Sectors like road transport, buildings, agriculture etc. are covered by EU ESR.

**EU Corporate Sustainability Reporting Directive (CSRD) and EU Sustainability Reporting Standard (ESRS)**

- **CSRD** (Corporate Sustainability Reporting Directive) together with extensive reporting standard, the **ESRS** (EU Sustainability Reporting Standard).

**Global sector based disclosure agreements:**

- **IMO DCS** (Data Collection System). It all obliges ships over 5000 tons to hold accurate emission accounting and make emission settlement on a regular basis.
- **CORSIA**. In any year from 2021 when international aviation CO2 emissions covered by the scheme exceed the average baseline emissions of 2019 and 2020, this difference represents the sector's offsetting requirements for that year.



# Compliance to global agreements

The commitment to the SDGs drives countries to create and enforce legal frameworks that promote sustainable development. These legal measures, in turn, provide the necessary structure and accountability to ensure that both national and global sustainability goals are met effectively.

All 193 member states of the United Nations signed the Sustainable Development Goals (SDGs). They were adopted by the UN General Assembly in September 2015 as part of the 2030 Agenda for Sustainable Development. These goals cover various aspects of sustainable development, including poverty, inequality, climate change, environmental degradation, peace, and justice.

**Countries' commitments to the Sustainable Development Goals (SDGs) and the implementation of countries sustainability legal frameworks are deeply interconnected.**

Here's how:

## National Implementation of Global Goals

The SDGs, provide a global blueprint for sustainable development. To achieve these goals, countries must translate the global targets into national policies and actions.

**One of the key-ways member states do this is by developing and enforcing legal frameworks that mandate or encourage sustainable practices within their borders.**

## Legal Frameworks as Enablers

Legal frameworks serve as tools for governments to regulate and guide sustainable development. These laws and regulations help ensure that businesses, industries, and other sectors operate in ways that align with the SDGs.

## Accountability and Compliance

Legal frameworks establish accountability mechanisms, making it mandatory for companies to adhere to sustainability standards. This compliance is essential for countries to meet their SDG commitments. Without legal backing, efforts to achieve the SDGs might be voluntary or inconsistent, leading to uneven progress.

## Integration into National Strategies

Many countries integrate the SDGs into their national development strategies and legal systems. By embedding SDG targets into laws and regulations, countries create a structured approach to sustainability that aligns national interests with global objectives. This integration ensures that progress towards the SDGs is systematically tracked and reported.

## International Cooperation

The commitment to the SDGs fosters international cooperation, encouraging countries to share best practices in developing and implementing sustainability laws.

## Implementation of legal frameworks

Countries	Regulations	Standard and guidelines
EU + Iceland, Norway and Liechtenstein	CSRD	ESRS (Sustainability Reporting)
United Kingdom	SECR	Streamlined Energy and Carbon Reporting
United States	SEC	Proposed Climate Disclosure Rule
Canada	51-107	National Instrument
Australia	NGER	National Greenhouse and Energy Reporting Scheme
New Zealand	Climate-related Disclosures Bill	Climate Change
China	CSRC	ESG (Environment, social and governance)
India	BRSR	ESG (Environment, social and governance)



# Global agreements are driving the growth of the Digital Sustainability Market

According to the "PwC's Global CSRD Survey 2024, DATAINTELO," the global sustainability market was valued at USD 10.61 billion in 2023 and is projected to reach USD 27.37 billion by 2032, expanding at a CAGR of 11.1% during 2024–2032.

This growth is driven by increasing regulatory compliance requirements and a growing corporate commitment to ESG and sustainability.

A key trend in the market is the rising demand for cloud-based sustainability software solutions, which offer flexible, scalable, and cost-effective options. This shift reflects the movement away from basic tools toward comprehensive sustainability software platforms.

It is expected that during this period (2024-2032), companies will increasingly adopt these advanced platforms to meet evolving sustainability regulations and achieve their sustainability objectives.

## Legal compliance with sustainability requirements will drive companies from using basic ESG tools to adopting comprehensive sustainability platforms

### ESG spreadsheet

Until now, many companies have relied on custom tools built in Excel or basic software to support emission calculations. These tools, developed either by consultants or within the organization, may address specific needs but fall short in meeting the demands of stricter regulatory environments.

According to the "PwC's Global CSRD Survey 2024, DATAINTELO" report, more than 90% of survey respondents say they are using or planning to use spreadsheets for sustainability reporting. This highlights the prevalent reliance on basic tools and the current market demand.

However, companies will not be able to meet new sustainability regulation frameworks with these solutions in the future.

To comply with evolving standards and regulations, businesses need more robust, scalable, and integrated ESG or Sustainability software solutions.

### ESG software tools

There are a handful of vendors providing ESG tools on the market today, but these tools vary significantly and are often not comparable.

Some vendors offer software focused solely on calculating emissions (Scope 1, 2, & 3), neglecting Social and Governance factors. Others provide more comprehensive tools that include calculations for emissions as well as Social and Governance metrics.

However, many of these tools come with limited functionality and rely heavily on consultant services, leading to high annual consulting and operational costs. This reliance creates significant disadvantages and uncertainty for customers, hindering their ability to achieve comprehensive sustainability goals.

These tools are not designed to effectively meet evolving regulatory requirements as the biggest obstacles facing companies are data availability, quality and the complexity of their value chains. This presents a massive challenge as teams work to collect, verify and consolidate many new types of data.

### Sustainability Platforms

From 2024 to 2032, Sustainability Platforms are set to revolutionize the business landscape, becoming mission-critical software solutions. These platforms will take over the space, providing indispensable support for companies aiming to meet stringent sustainability goals and regulatory requirements.

Sustainability Platforms excel in reliability, transparency, verifiability, and comparability of disclosed information on sustainability. They empower businesses with robust data management and comprehensive sustainability reporting capabilities, ensuring that every aspect of regulatory compliance factors is accurately tracked and reported.

As sustainability becomes increasingly central to business strategy, adopting a cutting-edge Sustainability Platform will be essential for staying ahead. Trusted to deliver the advanced solutions businesses need to navigate this evolving landscape and achieve your sustainability objectives with confidence.

The market for these platforms are expected to grow to over USD 27 billion in 2032.

Klappir is the only known vendor of Sustainability Platform on the market today. The Klappir Platform can support the path from simple solution to full scale sustainability compliance.



Section 3

# Introducing Klappir





## Klappir at a glance

**50,000**

Large companies in Europe must comply with CSRD/ESRS in 2025/2026

**385**

ISK million in annual recurring revenue (ARR) in 1H 2024

**271**

ISK million in net revenue in 1H 2024

**32**

ISK million in operating profit in 1H 2024

**24**

Local and global partners

# Our Commitment

Klappir, founded in 2014, is a leading global sustainability software company recognized for its innovative sustainability software solutions and strong commitment to customer success.

Our digital platform streamlines data recording, accounting, and reporting, ensuring that businesses can meet regulatory requirements while enhancing their operational performance.

Our cutting-edge digital platform offer a way through more and more complex regulatory disclosure processes. The whole design of the platform offer proven way of streamlining sustainability work.

Our commitment goes beyond technology. We believe in the power of trusted and open communication. Whether it's our society, customers, shareholders, partners, or employees, we strive to keep everyone informed.

Through annual and semi-annual performance reports, available on our homepage and the Nasdaq reporting platform, we share our progress and achievements, fostering a culture of transparency and accountability.

Solid and trusted capital structure represent our commitment to long-term, sustainable business strategies. This structure not only mitigates operational risk but also reinforces our foundation for continued growth and innovation.

At Klappir, we're not just embracing the digital future of sustainability data recording, accounting and reporting; we're leading the change. By developing and distributing our digital sustainability platform aligned to the latest directives, we're setting new standards for utilizing digital technology in the sustainability arena.

Recognizing the importance of strategic guidance and general support, Klappir partners with leading global and local companies, are specialist in various fields of sustainability.

Whether companies are navigating digital transformation, change management or integration of sustainability, our partners are equipped to guide our customers.

Join us on this journey towards a sustainable future, where digital transformation drives positive change, and reliable information empowers better decisions. Together, we can create a world where sustainability is at the forefront of every business strategy, and where Klappir is the trusted partner making it all possible.



# Our Purpose

**At Klappir, we aim to fulfil our mission and deliver to society cutting-edge contributions in innovation, software development and methodologies**

We will continue to support capacity-building and dissemination of knowledge and put in order the data behind sustainability efforts, world-wide.

We are passionate about helping customers and society to manage their sustainability efforts by facilitating their access to our state-of-the-art sustainability Platform and Ecosystem and related customer success.

Our commitment and forward-thinking approach drives us to push the boundaries of what is possible, ensuring that we remain at the forefront of technological advancement for the future.

**Professional, Innovative and Caring are the three key values that sum up everything we do, from the way we speak, to the way we present ourselves and perform.**

## Professional

We take sustainability very seriously. Whether we are assisting our customers online or in the real world, we always make sure that our platform and our employees appear in the most professional manner.

## Innovative

We connect people using our platform to create ecosystems that make sustainability data readily available. Our world-class platform helps businesses and organizations to approach sustainability data in innovative, new ways.

## Caring

We want to make a difference for people and the planet. We feel a connection to nature and strive to preserve scarce resources. We also truly care for our customers and inspire them to go beyond their sustainability goals. Last but not least in Klappir we care about each other, listen, show respect and support each other.





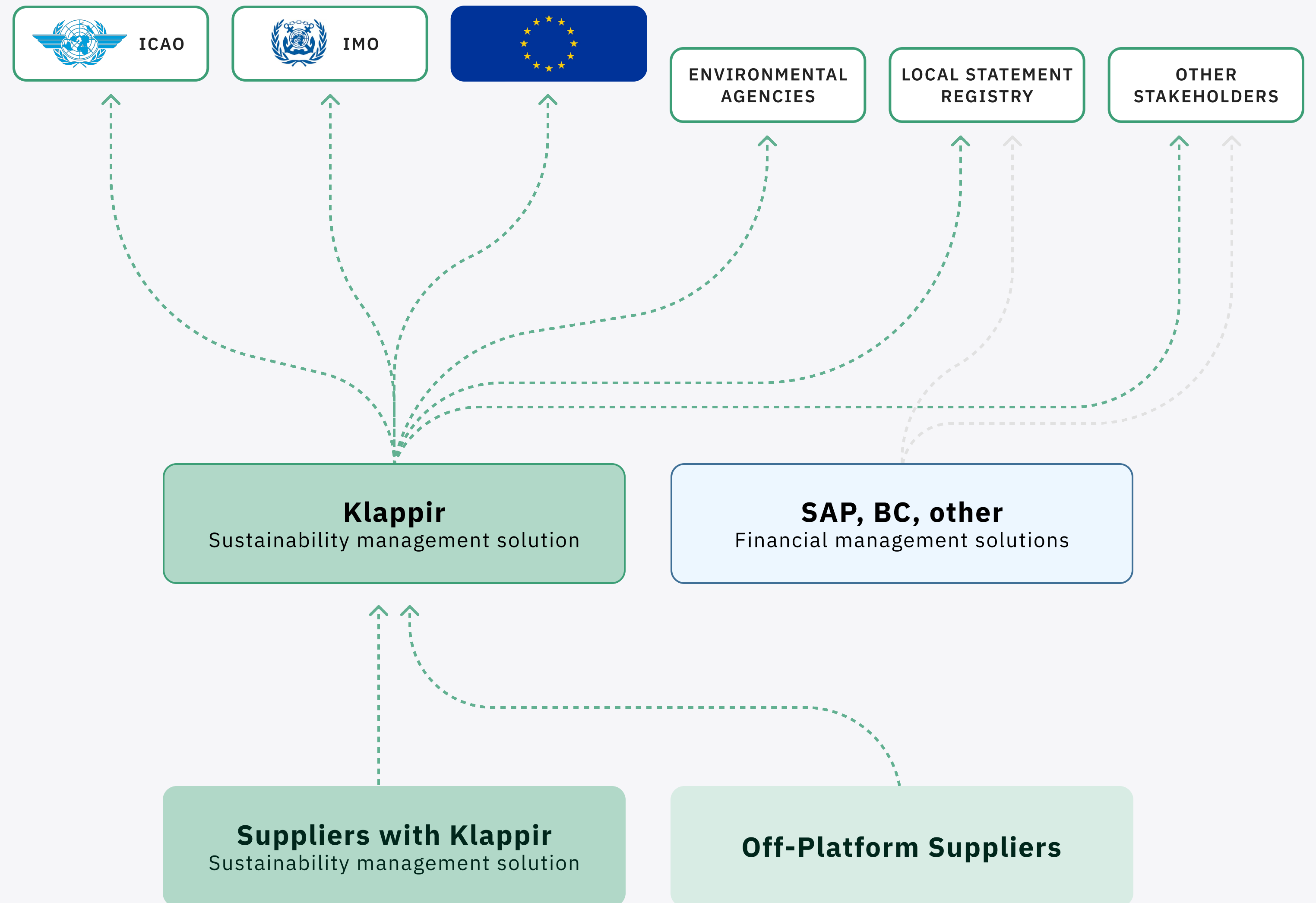
**Section 4**

# **Solution Offerings**



# Klappir is a vital business management solution

With existing sector specific global agreements on sustainability and the new EU corporate sustainability disclosure directive (CSRD), Klappir sustainability management solution is emerging as an essential business management solution to manage businesses sustainability work including the regulatory disclosure to UN (ICAO and IMO), European Union, local environmental agencies, local statement registries and to other stakeholders.





# Data quality and accounting principles

## Accounting principles

In today's complex business environment, having a single source of truth is paramount.

Klappir serves as the definitive repository for all sustainability-related data, shared in the Klappir ecosystem, ensuring that businesses can rely on accurate, consistent, and up-to-date information. By centralizing data collection and management, Klappir eliminates discrepancies and reduces the risk of errors, providing a clear and unified view of sustainability performance.

This not only enhances decision-making but also builds trust with stakeholders by demonstrating a commitment to transparency and integrity.

With Klappir, businesses can confidently disclose their sustainability efforts, knowing that their data is reliable, verifiable and auditable, held within a system that can evolve in response to emerging regulations.

The Klappir Platform accounting principles are strict and follows certain principles.

**Principle 1:** The data structure, conversion factors, and classification system are according to international standards. Quality control for this principle is ensured through ISAE 3000 and an annual certification update. No user can alter these parameters independently; changes are made centrally through the defined ISAE 3000 process. This ensures that the Klappir Platform adheres to the requirements of transparency, comparability, traceability and verifiability.

**Principle 2:** The basis for calculations is activity-based data, such as kilograms (kg), cubic meters (m<sup>3</sup>), kilowatt-hours (kWh), etc. Companies have the option to use spend-based data; however, this data is marked separately as "not-qualified-data". This distinction is crucial, especially for companies with a global presence, as the same product can yield significantly different results depending on the country of origin.

**Principle 3:** All data, calculations, and information are stored in the Klappir database for a minimum of seven years. The primary database resides in an AWS environment located in Stockholm. Activity-based data can be imported either directly through predefined routes in the Klappir Data Portal or recorded directly through log books. When the platform is configured, the method of data recording is defined and established.

**Principle 4:** Output of calculated basic data, referred to as "sustainability metrics" or "key sustainability performance indicators (KPIs)" is stored in the Klappir database for use of the analytical and reporting unit.

If metrics are changed or modified in the reporting process the changes and modifications are traceable.



# Klappir accounting process

## Data upload

Data can be uploaded through both manual upload and automatic upload. When uploading data (both manually and automatically) the data has to have predefined structure that fits for the uploading. When data has been uploaded it is stored in a centralized database as a raw data.

On bases of the raw data the calculation needed for disclosure of information is calculated in the backend and stored in the database. This includes basic data for calculation of CSRD/ESRS metrics needed for E1 (Scope 1,2 & Scope 3 and energy). Also E2,E3, E4 and E5 as well as S1, S2, S3 and S4 as well as G1 in CSRD/ESRS and other standards.

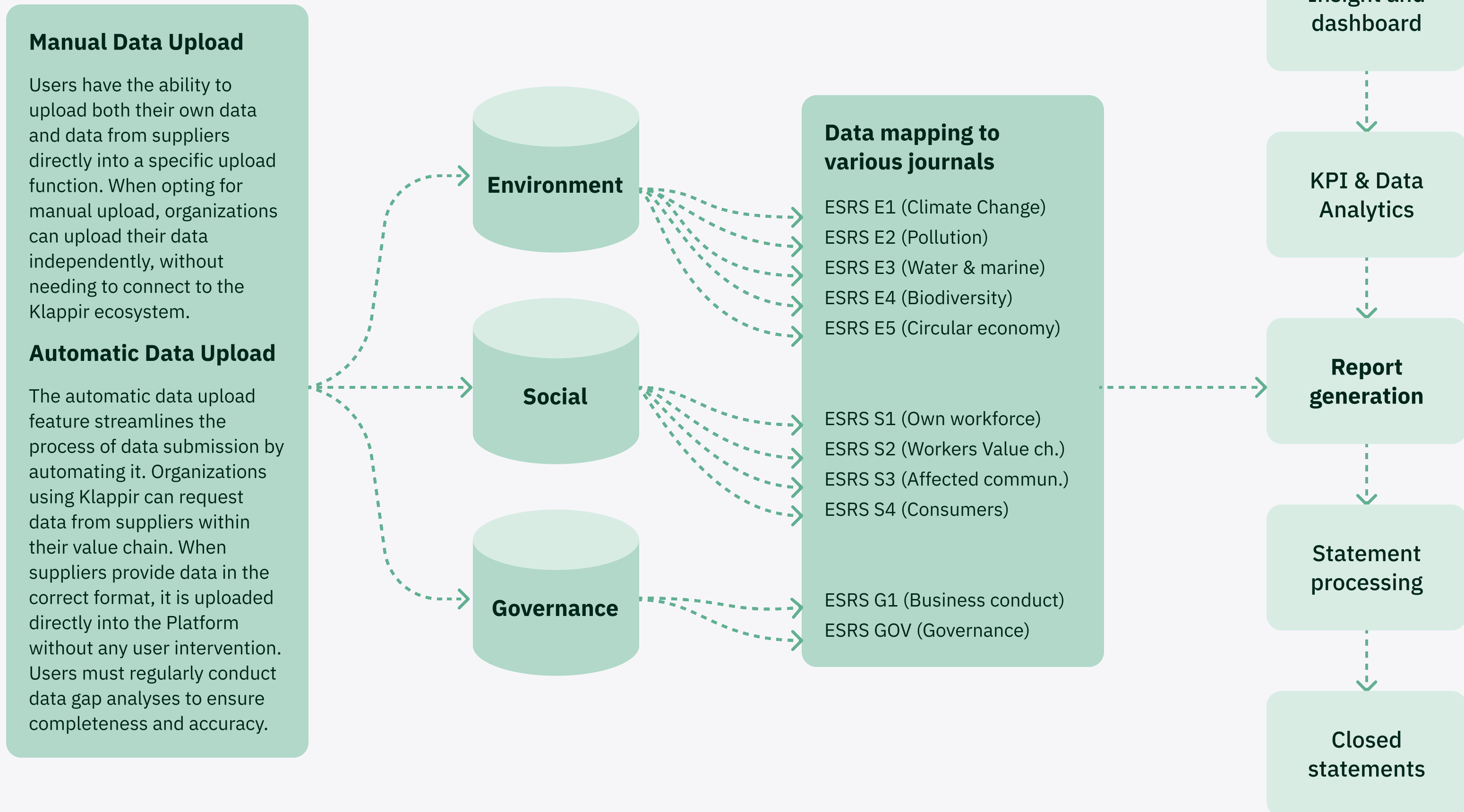
## Data mapping

Once the data is recorded and stored, it is organized according to predefined parameters of the ESRS standard or other standard customer want to use. All data is kept in a minimum of 7 years.

## Report Generation

Klappir allows for various reports with two purposes in mind:

- For data analytics, KPIs, insight and dashboard. Users can analyze the data to gain insights into sustainability performance, transactions and trends.
- To create a Sustainability Statement, the data is streamed into the special report generator where data is structured in the statement form and stored as closed statement.





# Klappir

## Customer Value

### Enterprise Ready Sustainability Management Platform

#### | Scalable Compliance Management:

Klappir streamlines compliance throughout your organization, ensuring a seamless journey from planning to reporting, no matter the scale, be it top-down, across subsidiaries, or within a group structure.

#### | Flexible Compliance Reporting:

Assisting with API and FTP integrations to connect various data sources, perform quality testing of data and secure data flow activity. Monitor data and classification information. Technical communication with supplier.

#### | Streamlined Workflows:

Streamline task delegation and compliance management with our integrated system designed to expedite regulatory adherence.

#### | Connected Data Platform:

Streamline your process and cut costs by effortlessly collecting data through manual inputs and automated connections.

#### | ISAE 3000 Assured:

Our transparent and verifiable data provides peace of mind and substantial auditing cost reductions.

#### | All-Inclusive Solution:

Complete compliance coverage with no surprises. One seamless software solution meets all your compliance needs from start to finish.

#### | Global Expertise:

Utilize our extensive partner network for tailored support in every stage of your rollout.

**Make Klappir your go-to partner for your sustainability journey. With a decade of experience and a proven track record serving over 200 global customers, Klappir provides a dependable solution that can evolve with your business in the fast-moving compliance realm.**



# Klappir Platform

## Platform capabilities

**Data upload** and data integration

**Data processing** and pre-set of data for upload

**Accounting** with well defined accounting principles, **ISAE 3000 certified**

**Value chain due diligence**

**Asset management** including legal entities

**Corporate subsidiaries** and Group Structure

**Report management** (metrics)

**Tagging** aligned with ESRS

**Double Materiality Assessment (DMA)**

**Gap-analysis** and data point management

**Impact, risk and opportunity management (IRO)**

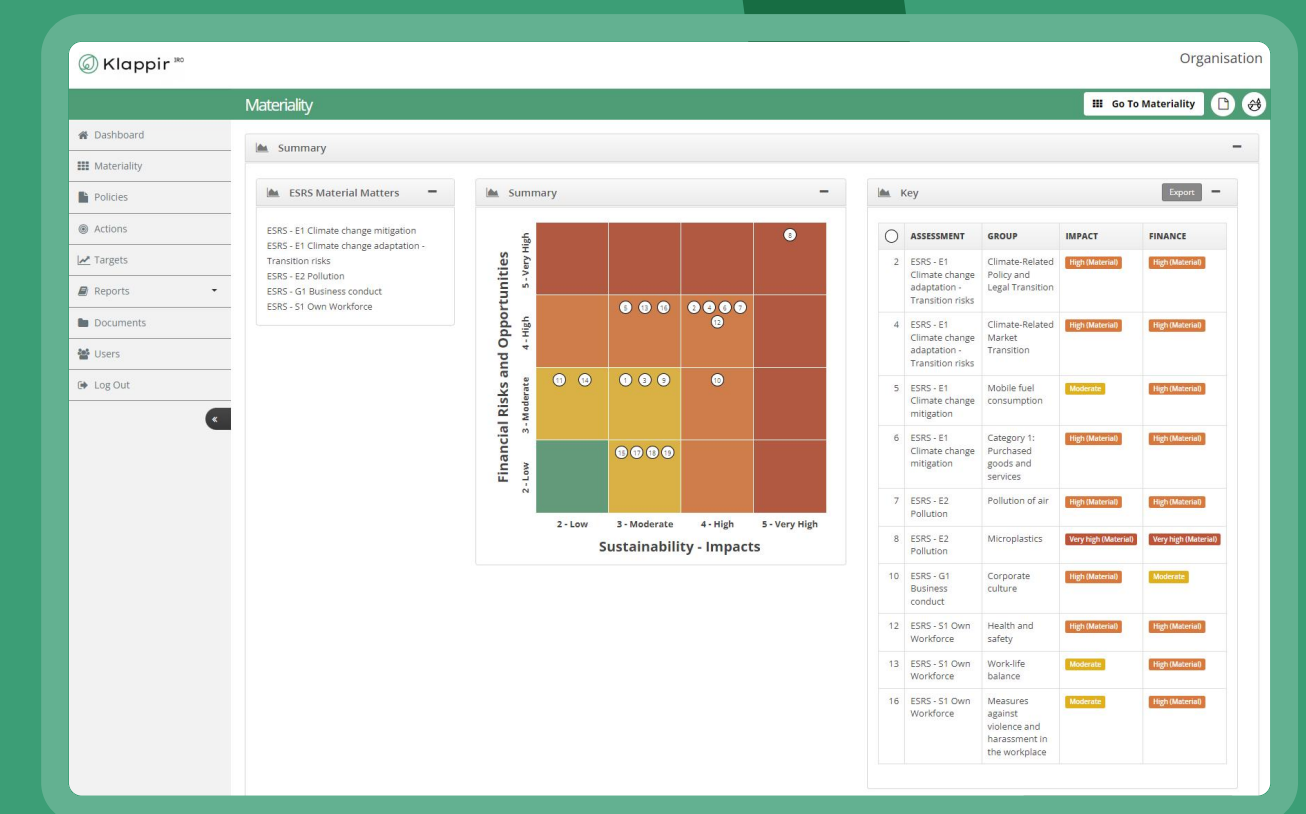
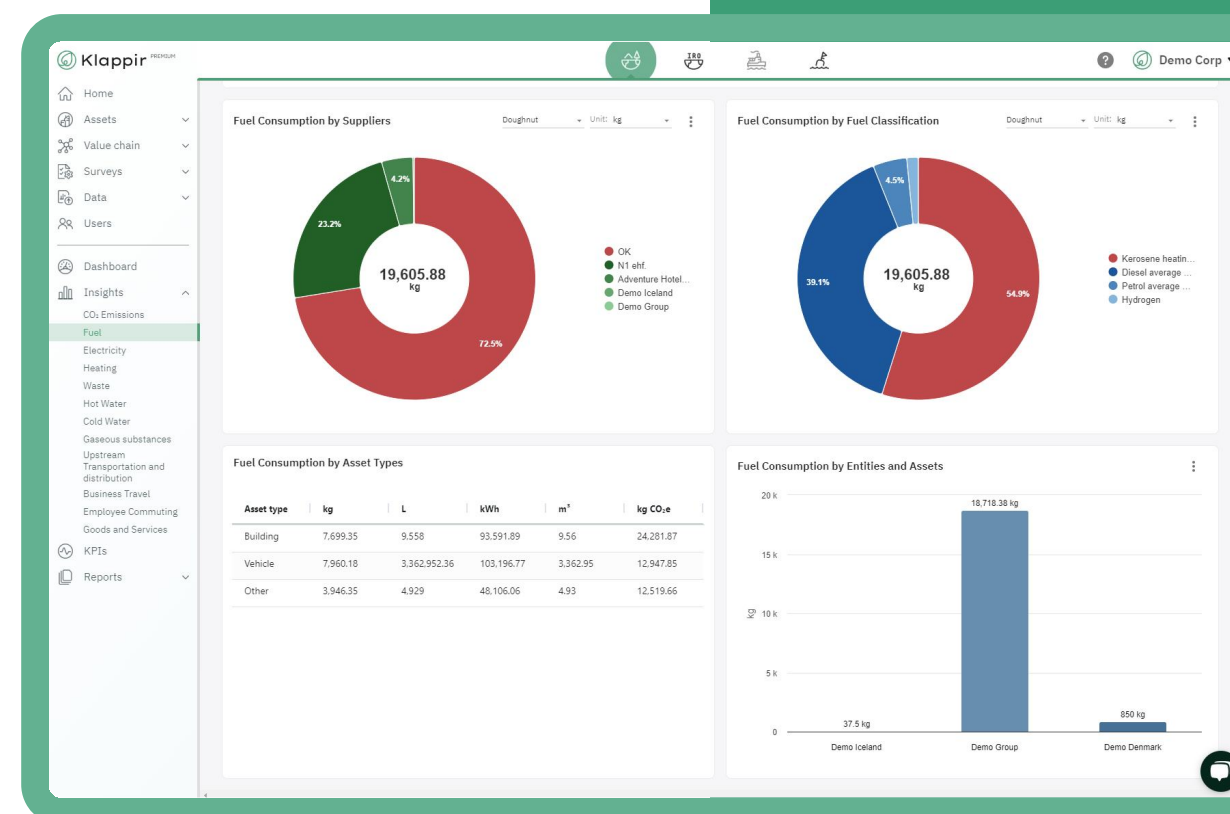
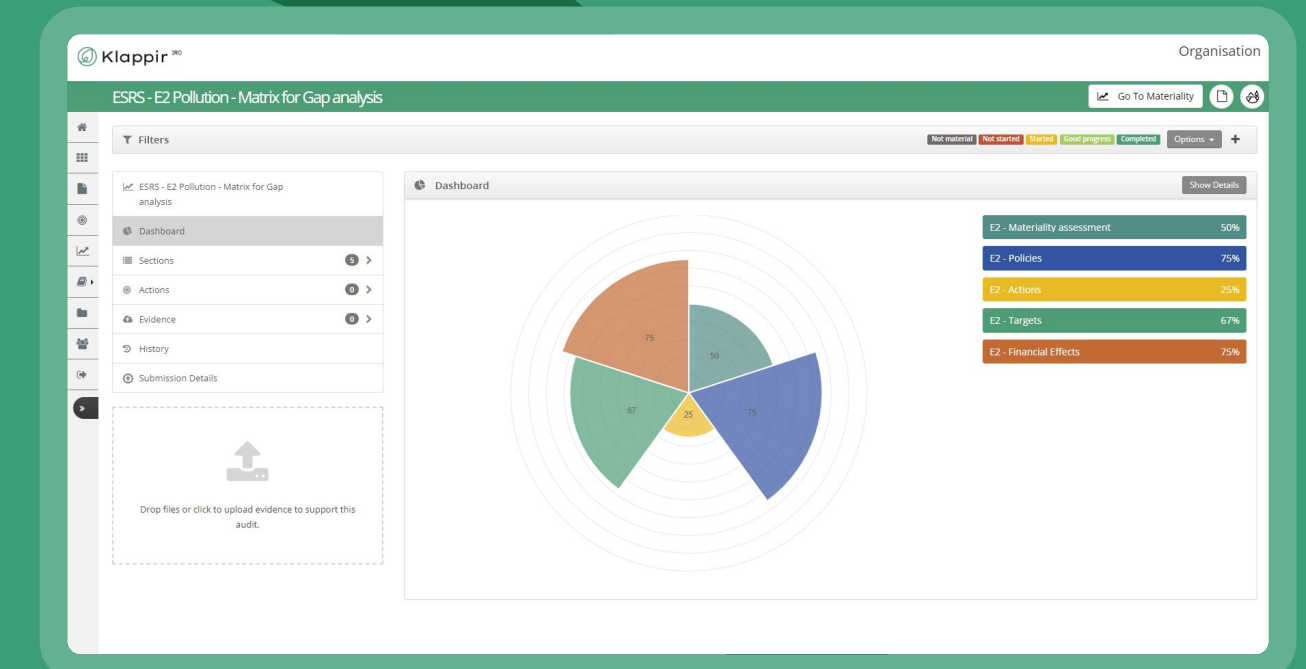
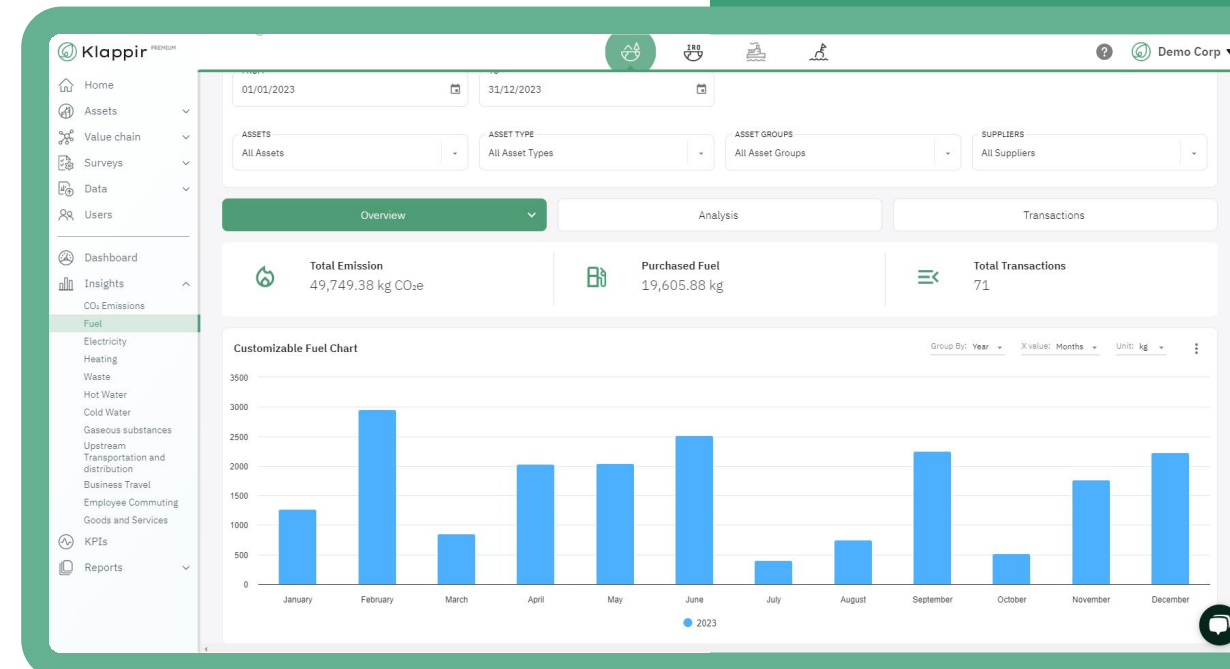
**Policy management** to address material matters

**Action plan** to translate policies into actions

**Targets to monitor progress**

**Project Management** for onboarding of customers

**Report Management** (narratives)





# Klappir Subscription Plans

**Our Platform Plans and dedicated Customer Success Journeys are designed to meet our customers needs every step of the way to full sustainability compliance.**

**Standard Plan**

**Premium Plan**

**Enterprise Plan**

**Standard Success Journey**

**Premium Success Journey**

**Enterprise Success Journey**



# Standard Plan

## The Standard Plan is aligned to Klappir ESG framework

The Standard Plan is aligned to ESG guidelines and standards like Nasdaq ESG guidelines and GRI. The Standard Plan is designed to cover company's metrics\* for own operation. The value chain due diligence is not part of this subscription.

### Environment

The environment standard of the framework is designed for "Climate Change". This includes emission in CO2e for full Scope 1, Scope 2 and waste in Scope 3.

The framework also include energy usage for power and heating as well as fuel. The energy mix is defined both for location based and market based Scope 2.

For full Scope 3, upgrade to Premium Subscription Plan is needed.

### Social

The social standard of the framework is designed around own operation and includes the most important items to disclose to stakeholders.

### Governance

The governance standard of the framework includes the main information around the board of directors, supplier governance, data and disclosure.

The standard plan is designed for those that are focusing on ESG accounting, reporting and disclosure.

\* metric data points (numerical) quantify ESG performance using raw numerical data and ratios or percentages that relate these figures to specific units of output (e.g emission per unit). These datapoints are quantitative.

## Klappir ESG framework

### General framework around ESG

Environment (Own operation)	Social (Own operation)	Governance (Own operation)
Greenhouse Gas Emissions, Scope 1,2 & Scope 3 (Waste) Emission intensity	CEO Pay Ratio Gender Pay Ratio Gender Diversity Non-discrimination	Board Diversity Board Independence Incentivized Pay Collective Bargaining
Energy usage Energy mix	Employee Turnover Temporary Worker Ratio	Supplier Code of Conduct Ethics & Anti-Corruption
Water usage Paper usage Waste	Injury Rate Health and Safety	Data Privacy ESG Reporting
Climate oversight, Board Climate oversight, Management Climate Risk Mitigation	Human Rights Child & Forced Labor	Disclosure Practices External Assurance

There is full flexibility in this framework to align with Nasdaq ESG, GRI and other ESG frameworks.



# Premium Plan

The Premium Plan is aligned to the metric\* data points of the CSRD and the ESRS standard. The plan covers the metric data points for the topical standards

The Premium Plan is aligned to the \*metric data points of CSRD (corporate sustainability reporting directive) and ESRS (EU sustainability reporting standard). It includes the metric data points for all the Topical standard (E,S,G) but does not cover the cross-cutting- or sector specific standards.

## Topical standards

**Environment:** The E-standard includes E1 (Climate Change for full Scope 1, Scope 2 and Scope 3). It also includes E2 (Pollution), E3 (Water and Marine Resources), E4 (Biodiversity & Ecosystems) and E5 (Resource use & Circular Economy). The selection of standard to be included is based on materiality assessment.

**Social:** The S-standard includes S1 (Own workforce), S2 (Workers in the value chain, S3 (Affected communities and S4 (Consumer & end users). The selection of standard to be included is based on materiality assessment.

**Governance:** The G-standard includes G1 (Business Conduct)

\* metric data points (numerics and figures) quantify sustainability performance using raw numerical data and ratios or percentages that relate these figures to specific units of output (e.g emission per unit). These datapoints are quantitative.

## Cross-cutting standards

General requirements on strategy, governance, impacts, risks and opportunities

**ESRS 1**  
General requirements

**\*ESRS 2**  
General disclosures

*\*are mandatory for all, other are mandatory based on materiality*

## Topical standards

General requirements across E,S,G areas that apply to all sectors

**ESRS E1**  
Climate Change

**ESRS S1**  
Own Workforce

**ESRS G1**  
Business conduct

**ESRS E2**  
Pollution

**ESRS S2**  
Workers at Value Chain

**ESRS E3**  
Water & Marine Resources

**ESRS S3**  
Affected Communities

**ESRS E4**  
Biodiversity & Ecosystems

**ESRS S4**  
Consumer & End-Users

**ESRS E5**  
Resource use & Circular Economy

## Sector specific standards

Disclosure requirements across 40 sectors

**SEC1**  
Sector classification

ESG sector specific disclosures

## 10 sectors standards to be released in 2024

- > Agriculture
- > Coal mining
- > Energy production
- > Food and beverages
- > Mining
- > Motor vehicle production
- > Oil and gas mid to downstream
- > Oil and gas upstream
- > Road transport
- > Textiles, accessorise, footwear, jewellery

Initial draft

Not yet disclosed



# Enterprise Plan

The Enterprise Plan is fully aligned to CSRD and the ESRS Standard and covers all relevant data points to be disclosed, metric, narratives and semi narratives

The Enterprise Plan is aligned to CSRD (corporate sustainability reporting directive) and ESRS (EU sustainability reporting standard). It include all the Topical Standard (E,S,G) and Cross-cutting standards. It does not include Sector specific standards.

## Cross-cutting Standards

This ESRS 1 and ESRS 2 plan cover the Impact risk and opportunity, business model, policies, strategies, action plans, targets, narratives and semi-narratives. With the upgrade customers get access to the IRO tool which is fully aligned with the metrics in the Platform.

## Topical standards

**Environment:** The E-standard includes E1 (Climate Change for full Scope 1, Scope 2 and Scope 3). It also includes E2 (Pollution), E3 (Water and Marine Resources), E4 (Biodiversity & Ecosystems) and E5 (Resource use & Circular Economy). The selection of standard to be included is based on materiality assessment.

**Social:** The S-standard includes S1 (Own workforce), S2 (Workers in the value chain, S3 (Affected communities and S4 (Consumer & end users). The selection of standard to be included is based on materiality assessment.

**Governance:** The G-standard includes G1 (Business Conduct)

## Cross-cutting standards

General requirements on strategy, governance, impacts, risks and opportunities

**ESRS 1**  
General requirements

**\*ESRS 2**  
General disclosures

*\*are mandatory for all, other are mandatory based on materiality*

## Topical standards

General requirements across E,S,G areas that apply to all sectors

**ESRS E1**  
Climate Change

**ESRS S1**  
Own Workforce

**ESRS G1**  
Business conduct

**ESRS E2**  
Pollution

**ESRS S2**  
Workers at Value Chain

**ESRS E3**  
Water & Marine Resources

**ESRS S3**  
Affected Communities

**ESRS E4**  
Biodiversity & Ecosystems

**ESRS S4**  
Consumer & End-Users

**ESRS E5**  
Resource use & Circular Economy

## Sector specific standards

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- > Oil and gas upstream
- > Road transport
- > Textiles, accessorise, footwear, jewellery

Initial draft

Not yet disclosed



# Klappir

## Customer Success

### Standard Offering

At Klappir, our Customer Success services are designed to provide unparalleled value to our customers by ensuring they can fully leverage the capabilities of the Klappir platform to achieve their sustainability goals. Our professional, innovative, and caring customer success services delivers exceptional benefits, making Klappir Customer Success an indispensable partner in your journey toward ESG and sustainability data management and reporting excellence.

#### Comprehensive onboarding and training

##### | Tailored Onboarding

We offer customized onboarding work sessions that cater to the specific needs of standard, premium, and enterprise plans, ensuring a smooth and efficient start with the Klappir platform.

##### | In-Depth Training

Our comprehensive training programs empower your team to become super-users of the Klappir platform, enhancing their proficiency and productivity.

#### Proactive and Personalized Support

##### | Dedicated Sustainability platform specialist

Each customer is assigned a dedicated Sustainability platform specialist who understands their unique challenges and goals, providing personalized support and guidance. These specialists are experts in sustainability and ESG data management and reporting.

##### | Regular Check-Ins and Touchpoints

Scheduled check-ins and feedback sessions ensure ongoing communication, allowing us to anticipate needs and address any issues promptly.

#### Strategic and Long-Term Planning

##### | Proactive Planning

We work with you to develop long-term sustainability and ESG data management strategies and roadmaps, aligning your goals with broader business objectives and ensuring continuous improvement.

##### | Feedback Integration

By actively seeking and incorporating customer feedback, we ensure our platform evolves to meet your needs and remains at the forefront of sustainability platforms.

#### Empowerment and Education

##### | Ongoing Learning

Through workshops, webinars, and a comprehensive knowledge base library, we provide continuous education to keep your team updated on best practices and new features.

##### | Super-User Development

Our training programs are designed to transform your team into super-users of the Klappir platform, maximizing your return on investment.



# Klappir

## Customer Success

### Tailored Offering

At Klappir, we understand that each customer has unique needs and goals.

Klappir's custom-tailored success services are designed to provide the precise support and guidance necessary for customers to fully leverage the capabilities of the Klappir platform. Whether transitioning historical data or integrating various data sources, Klappir offers comprehensive solutions to meet specific needs.

These packages are designed to provide the precise level of support and guidance necessary to ensure our customers fully leverage the capabilities of the Klappir platform depending on desired outcome.

#### **Data Connection Service**

Connecting data sources to the Klappir platform is seamless with Klappir's data connection service:

- | **API Integration**

Assisting with API integrations to connect various data sources, perform quality testing of data and secure data flow activity. Monitor data and classification information. Technical communication with supplier.

- | **FTP Integration**

Assisting with FTP integrations to connect various data sources, perform quality testing of data and secure data flow activity. Monitor data and classification information. Technical communication with supplier.

#### **Historic data migration support**

Transitioning to the Klappir platform often involves migrating historical data. Klappir ensures a smooth transition by:

- | **Data Mapping**

Mapping existing data to the Klappir platform's structure.

- | **Data Cleaning**

Cleaning and preparing historical data for migration.

- | **Migration Execution**

Managing the data migration process to ensure accuracy and completeness.

#### **Data Exports from Klappir Platform**

Klappir provides service around various data exports from the Klappir platform to meet specific operational needs:

- | Custom Exports to use with other internal operating tools like BI or reporting tools

#### **Emission Factor Sourcing for Specific Sectors:**

Accurate emission factors are critical for calculating carbon footprints. Klappir provides service around sector-specific emission factor sourcing in line with ISAE 3000 standard.

#### **Custom tailored Work Session upon request**





Section 5

# Governance





# Our Governance

## Sustainability due diligence

Our sustainability due diligence process encompasses a comprehensive review of our operations, supply chain, and business practices to identify potential impacts on the environment, society, and stakeholders. This includes but is not limited to; environmental issues, social and governance.

Once a year we disclose our consolidated sustainability statement. The statement includes a detailed overview over the sustainability performance (see in the metrics section). The performance is measured by Klappir on a continuous basis at least monthly (it follows the accounting process).

Value chain assessments are carried out once a year with special focus on suppliers. Survey is sent from the Klappir Platform to suppliers that get access to the Klappir Platform to answer the survey. The results from the survey are processed in Klappir and both subjective and objective scores are given.

## Incentive schemes

Sustainability matters and performance are not integrated in incentive schemes. But Klappir integrates stock options into employees compensation plan and sees the offer of stock options as an incentive to employees.

## Risk management and internal controls

Klappir is committed to appropriately managing risk and minimizing the impact of risk on the achievement of business objectives. Klappir views risk management as an integrated business process essential to the overall success of the business. Risk management is incorporated into standard management processes such as business planning, investment analysis, project management, operational management and management reporting.

## Products and Services

Data recording, data management, accounting, and reporting adhere to the rigorous standards of ISAE 3000/type 2 verification. This verification, overseen by Deloitte this year, ensures the integrity, accuracy, and completeness of our data.

Our controls encompass various domains, including Software Development, IT Security, and sustainability practices such as sourcing emission and conversion factors. These controls are meticulously designed to harmonize efforts towards our overarching objective. Additionally, specific guidelines are established for users to ensure the effectiveness of these controls. Regular updates to our verification process guarantee ongoing compliance and optimization of our data management practices. The data necessary for disclosing sustainability metrics is recorded as activity data, which forms the foundation for monitoring transactions and associated invoices.



# Board of Directors

BOARD CHOSEN  
ON THE 2024 ANNUAL MEETING



## Ágúst Einarsson

CHAIRMAN OF THE BOARD

Holds an MSc in Industrial and Business Engineering from Aalborg University.

Ágúst has more than 25 years of experience as a CEO within the software industry. He advises high-tech and cloud businesses to transform and accelerate growth.  
He joined the Klappir board in April 2021.



## Hildur Jónsdóttir

CO-FOUNDER AND BOARD MEMBER

Holds a Master degree in psychology from Aarhus University, Denmark.

Hildur is co-founder of Klappir and investor.

Hildur is CEO of Kvistar Holding and Board member of Klappir ehf.  
She has been a board member since 2014.



## Vilborg Einarisdóttir

BOARD MEMBER

Holds an MSc in Management and Strategy from University of Iceland and University of Commerce in Aarhus.

Vilborg is the founder and CEO of BravoEarth and co-founder and former CEO of InfoMentor.  
She joined the board of Klappir in April 2022.



## Sigrún Hildur Jónsdóttir

CO-FOUNDER AND BOARD MEMBER

Responsible for the product vision and product management.

Holds an MBA from the University of Iceland and MSc in Comparative Politics (Conflict Study Stream) from LSE, London.  
She has been with Klappir since 2014.



## Sigurður Þórarinnsson

BOARD MEMBER

Holds an MSc in Industrial Engineering from the University of Washington.

Sigurður is a technology executive with extensive international leadership experience. He has a solid track record in growing and improving business in various IT domains.  
He joined the Klappir board in April 2023.



# Our Leaders



**Þorsteinn Svanur Jónsson**

CO-FOUNDER AND BUSINESS DEVELOPMENT



**Isabelle Broddén**

BUSINESS DEVELOPMENT



**Íris Karlsdóttir**

PARTNERSHIP



**Hulda Þórhallsdóttir**

CUSTOMER SUCCESS



**Sólrún Sæmundsen**

MARKETING



**Sigrún Hildur Jónsdóttir**

CO-FOUNDER AND PRODUCTS



**Kristján Hall**

ENGINEERING



**Ólöf Ásta Ólafsdóttir**

FINANCE



**Jón Ágúst Þorsteinsson**

CO-FOUNDER AND CEO



# Klappir Crossfunctional Sustainability Team

## CEO and BOD

The roles and responsibilities of the Chief Executive Officer (CEO) and the Board of Directors (BOD) in driving our sustainability initiatives are crucial for embedding these practices deeply into the strategic framework and operational ethos of Klappir.

The CEO operationalizes sustainability through leadership and strategic integration, while the Board of Directors ensures that these initiatives are governed appropriately and aligned with the company's overall strategic goals.

Together, they create a governance structure that promotes long-term sustainability.

## CFO

The overall responsibility of disclosure of sustainability statements is with the CFO.

The integration of sustainability processes are within this business unit and align the processes toward financial processes.

The preparation of KPI 's for Klappir and alignment of these within the financial performance and sustainability performance.

## Sustainability

The responsibility for overall implementation of sustainability practises in the organisation and guide the team effort.

It includes also responsibility for overseeing and implementing sustainability strategies across the organization and aligning the company with environmentally responsible and socially conscious practices.

As well it includes monitoring the effectiveness of sustainability initiatives and assesses their impact and analyzes data to measure progress against sustainability goals.

## IT

The responsibility of the IT team is to create the digital architecture for data recording.

This is crucial for solid data feed to the Klappir Platform, verification and tracking performance goals.

## Procurement

Procurement has an important role in communication with suppliers.

To be involved in discussions regarding supplier data and how to make these data accessible in digital format.

Include into the agreements Supplier Code of Conduct and responsibility for suppliers participation in improved sustainability performance.

Carry out supplier Survey and follow up on supplier assessment and suppliers sustainability Score.

## Legal

The legal unit is focussing on the company compliance and related risk of non compliance.

The risk is constantly followed in relation to new sustainability law and regulations. We try to distribute our view on the risk related issues and guide our stakeholders and customers towards a safe track.

Klappir ISAE 3000/Type 2 certification is a a part of the risk control related to our Platform.



# Klappir

## Capital Structure

Klappir complies with all relevant rules and regulations, Icelandic legislation (Law no. 2/1995 on corporations), the company's articles of association and the board's rules of procedure. As a listed company, we communicate with our shareholders and other stakeholders in an open and honest manner regarding the operation. We provide investors, analysts and other stakeholders with timely and accurate information. Klappir's rules of procedure for the boards are published on our website.

### Shares

The share structure has a dual objective: To provide the necessary strategic flexibility to pursue the company's vision while at the same time providing a good balance between long-term shareholder value creation and competitive shareholder return in the short-term and to support the long-term mission, vision and core values of the company.

### Share capital and ownership

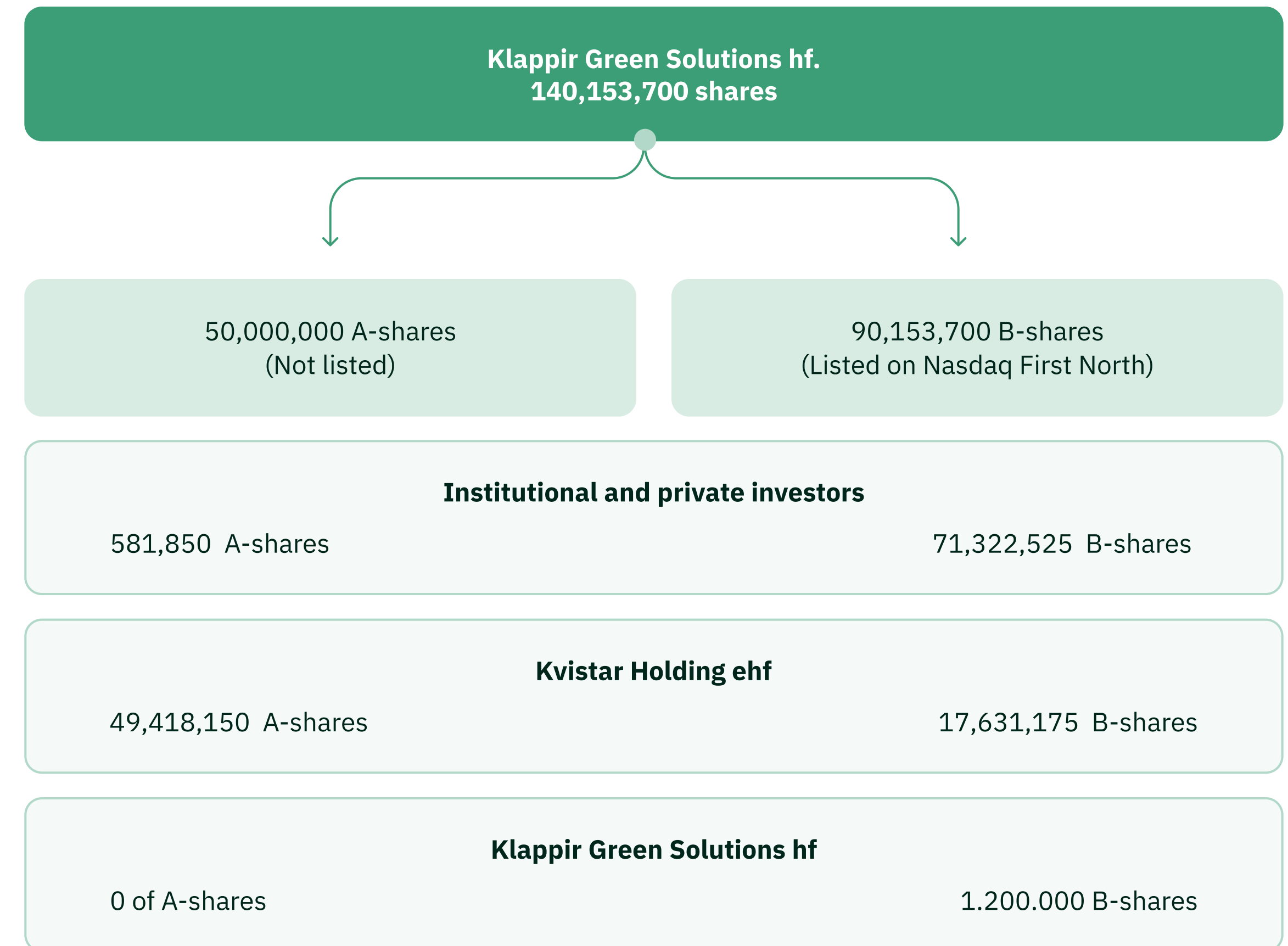
**The total share capital issued in Class A-shares is ISK 50,000,000**

**The following applies to Class A shares:** Holders of Class A shares hold 10 (ten) votes per share of nominal value one Icelandic krona (ISK 1) at the company's shareholders' meetings. Holders of Class A shares have a mutual pre-emptive right to Class A shares. The general rules of the Public Limited Companies Act apply to the rules of pre-emptive rights. Transfer of ownership resulting from inheritance or administration of estates, is excluded from the aforesaid mutual pre-emptive rights, as well as a shareholder's transfer of shares to a majority owned legal entity.

**The total share capital issued in Class B-shares is ISK 90,153,700**

**The following applies to Class B shares:** Holders of Class B shares hold 1 (one) vote per share of nominal value one Icelandic krona (ISK 1) at the company's shareholders' meeting. No restrictions are placed on how shareholders dispose of Class B shares.

**Outstanding Class C-shares are currently none.**





# Klappir

## Share and Share Capital

### Shareholders

Klappir Green Solution total share capital of ISK 138.953.700 is divided into an A share capital of nominally ISK 50,000,000 and a B share capital of nominally ISK 88.953.700. The company's A shares are not listed and are held by Kvistar holding ehf., a Icelandic limited liability company, wholly owned by the four founders and Sýn hf. For further information see note 9 in the consolidated financial statements..

At the end of 2023, shareholders in Klappir Green Solutions numbered 321, compared to 316 at the end of the year 2022. The largest shareholders were as followed at the end of year 2023:

	Total shares	B-Shares	A-Shares
Kvistar holding ehf .....	67,049,325	17,631,175	49,418,150
Sindrandi ehf .....	32,545,834	32,545,834	-
Pund ehf .....	5,000,000	5,000,000	-
Nýsköpunarsjóður atvinnulífsins .....	3,619,579	3,619,579	-
Stey ehf .....	3,000,000	3,000,000	-
Kjalvegur ehf .....	3,000,000	3,000,000	-
Eyktasalir ehf .....	2,645,350	2,645,350	-
Dexter fjárfestingar ehf .....	2,600,000	2,600,000	-
Klappir ehf .....	2,236,469	2,236,469	-
Bjarni Þór Björnsson .....	2,175,474	2,175,474	-
Haru Holding ehf .....	2,000,000	2,000,000	-
Other shareholders .....	13,081,669	12,499,819	581,850
<b>Total .....</b>	<b>138,953,700</b>	<b>88,953,700</b>	<b>50,000,000</b>
Treasury shares	1,200,000	1,200,000	0
Total Shares	140,153,700	90,153,700	50,000,000

### Compliance

The Board of Directors of Klappir Green Solutions hf. emphasizes maintaining good corporate governance and following guidelines on corporate governance issued by the Iceland Chamber of Commerce, NasdaqOMX Iceland hf. and the Confederation of Icelandic Employers.

The Board of Directors has established rules of procedure where its area of authority is defined as well as the area of responsibility towards the CEO. The rules also include rules on meeting procedures, rules on the qualifications of board members, rules on confidentiality, the disclosure of information by the CEO to the board and more. The gender diversity of the board are two women (40%) and three men (60%).

The consolidated financial statements of Klappir Green Solutions hf. for the 1.1.-31.06.2024 are prepared in accordance with the Icelandic Financial Statements Act no. 3/2006.



# Stakeholder engagement

Stakeholders	Goals	Engagement Channels	Our Approach
<b>Partners</b>	<ul style="list-style-type: none"> <li>Expand partnership network.</li> <li>Build trusted partner relationships.</li> <li>Foster strong working relationships.</li> <li>Stimulate sales through network activation.</li> </ul>	<ul style="list-style-type: none"> <li>Customer success support.</li> <li>Partner meetings.</li> <li>Collaboration workshops.</li> <li>Joint customer visits.</li> <li>Conferences &amp; Events.</li> </ul>	<ul style="list-style-type: none"> <li>Foster strong working relationships.</li> <li>Conduct regular partner meetings.</li> <li>Support sales and onboarding processes.</li> <li>Provide education, training, and support through Customer Success.</li> </ul>
<b>Customers</b>	<ul style="list-style-type: none"> <li>Rapidly grow the international customer base.</li> <li>Help customers achieve sustainability &amp; compliance.</li> <li>Ensure effective use of the Klappir Platform.</li> <li>Share sustainability challenges and strategies.</li> <li>Support the transition to sustainability through the Klappir ecosystem.</li> </ul>	<ul style="list-style-type: none"> <li>Customer success stories, exec interviews &amp; newsletters</li> <li>Sales visits.</li> <li>Sales support materials.</li> <li>Help desk tickets.</li> <li>Attendance at conferences &amp; events.</li> <li>Customer advisory board.</li> <li>Annual Customer &amp; Partner Sustainability Impact Event.</li> </ul>	<ul style="list-style-type: none"> <li>Educate customers about upcoming EU legislation.</li> <li>Assist in setting and achieving sustainability goals with high-quality onboarding and support.</li> <li>Provide comprehensive support and ongoing training to enhance customer experience and effectiveness.</li> </ul>
<b>Suppliers</b>	<ul style="list-style-type: none"> <li>Monitor our own suppliers using our software</li> <li>Enhance Sustainability &amp; Ensure Compliance</li> <li>Foster Innovation &amp; Build Long-term Relationships</li> </ul>	<ul style="list-style-type: none"> <li>Annual vendor performance assessments.</li> <li>Supplier Code of Conduct.</li> <li>Sustainability requirements in service agreements.</li> <li>Regular meetings.</li> </ul>	<ul style="list-style-type: none"> <li>Collaborate on sustainability goals.</li> <li>Improve data accuracy and ease of collection through the Klappir Platform.</li> </ul>
<b>Our Customers' Value Chain</b>	<ul style="list-style-type: none"> <li>Encourage premium customers to engage their value chain using a freemium product.</li> </ul>	<ul style="list-style-type: none"> <li>In-platform engagement</li> <li>Direct marketing</li> </ul>	<ul style="list-style-type: none"> <li>Help customers achieve sustainability goals by engaging their suppliers.</li> <li>Support customers' suppliers in becoming more successful.</li> </ul>
<b>Employees</b>	<ul style="list-style-type: none"> <li>Encourage sustainable decisions in the workplace and at home.</li> <li>Comply with Diversity &amp; Inclusion (D&amp;I) requirements.</li> <li>Provide employee benefits.</li> </ul>	<ul style="list-style-type: none"> <li>Foster a supportive and inclusive work environment.</li> <li>Provide regular training.</li> <li>Encourage D&amp;I initiatives</li> </ul>	<ul style="list-style-type: none"> <li>Foster a supportive and inclusive work environment.</li> <li>Provide regular training.</li> <li>Encourage D&amp;I initiatives</li> </ul>
<b>Shareholders</b>	<ul style="list-style-type: none"> <li>Segment and engage shareholders.</li> <li>Communicate the value and impact of being a shareholder.</li> <li>Ensure transparency in financial performance, business strategy, and sustainability efforts.</li> </ul>	<ul style="list-style-type: none"> <li>Shareholder meetings.</li> <li>Newsletters.</li> <li>Investor meetings.</li> </ul>	<ul style="list-style-type: none"> <li>Provide regular updates through meetings and reports.</li> <li>Ensure transparency in all communications.</li> </ul>
<b>Financial Institutions</b>	<ul style="list-style-type: none"> <li>Maintain transparency and compliance in financial performance, business strategy, and sustainability efforts.</li> <li>Provide assurance on financial stability and sustainability performance.</li> </ul>	<ul style="list-style-type: none"> <li>Meetings.</li> <li>Financial, Sustainability &amp; Impact Reports.</li> </ul>	<ul style="list-style-type: none"> <li>Maintain regular communication.</li> <li>Provide comprehensive financial and sustainability reports.</li> </ul>



A photograph of two young girls holding hands and walking away on a dirt path. The girl on the left is wearing a dark blue dress with eyelet patterns and black boots. The girl on the right is wearing a yellow and white patterned top, a teal and yellow patterned skirt with a black and white checkered sash, and black boots with a pink unicorn design. The background shows rolling green hills under a clear blue sky. A large green curved graphic element is on the right side of the image.

**Section 6**

# **Impact**



# Our Impact Strategy

Through our solutions we bring key environmental, social, governance and economic components to the level of general know-how and understanding for each and everyone. These components need to act in coordination toward sustainable development into the future.

Our digital sustainability solutions and methodologies establish a standard for how companies, investors, and regions use digital technologies to support their sustainability efforts. This includes among others, data recording and management of data, sustainability accounting, inventory management, regulatory compliance reporting, and stakeholder disclosure. Through our digital platform, we pave the way for transparent, reliable, and comparable data structures that can be traced back at least seven years.

The Klappir Sustainability Platform is ISAE 3000/Type 2 certified, ensuring that all auditors performing “Limited Assurance” have access to certification of data processing, calculation methods, constants, development methods, and controls used to ensure compliance with the certificate. This simplifies the auditor works and unifies the Limited Assurance work of auditors.

## To create long-term value for our customers and society

### Professional Solutions

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We provide cost-efficient and reliable sustainability regulatory compliance solution to investors, companies, and regions.

Our software solution brings transparency to sustainability accounting throughout own operation and supply chain.

With our software solution we give our customers the critical ability to continuously follow and improve their sustainable performance in a cost efficient way.

### Innovative Solutions

---

We invest heavily in our digital sustainability solutions and are constantly looking for improvements and aligning our platform to new directives, regulations and standards.

Anticipating, adapting to and creating new business opportunities from changes in our business environment.

We distribute new innovative solutions and methods through our ecosystem as soon as they are ready. By this we modify our solutions with our customers simultaneously.

We anticipate changes in the sustainability space, adapt to them by creating innovative solutions.

### Caring Support

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No one can solve sustainability challenges alone. Therefore we are connecting organisations in our ecosystem into a single force focused on improving sustainability performance for all.

We have designed our capital structure to ensure that we can follow and carry out our long term impact strategy.

We are doing business in a sustainability responsible way with open communication on our sustainability financial, and impact performance.



# We support the SDGs through our impact



## UN SDGs

The United Nations Sustainable Development Goals (UN SDGs) are a set of 17 interconnected goals designed to be a "blueprint to achieve a better and more sustainable future for all."

Adopted by all United Nations Member States in 2015, the SDGs address global challenges, including those related to poverty, inequality, climate change, environmental degradation, peace, and justice.

The SDGs include 17 main goals, 169 targets and 231 unique indicators linked to the goals. The SDGs are designed to be achieved by 2030, with each goal having specific targets and indicators to measure progress (SDGs include 17 main goals, 169 targets and 231 unique indicators linked to the goals). Governments, businesses, civil society, and individuals all play a crucial role in achieving these goals, ensuring that we leave a healthier, fairer, and more sustainable world for future generations.

Through its ecosystem Klappir focuses on Sustainable Goal no. 17, Strengthen the means of implementation and revitalize the global partnership for sustainable development.

## SDG 17 Partnerships for the goals

Our sustainability solutions are structured around SDG number 17, which lies at the heart of everything Klappir does and is closely aligned with our core values. Our digital ecosystem for sustainability fosters collaboration, partnerships, and collective action, ensuring we all work together towards a sustainable future.

Our digital ecosystem is designed to enable organizations, businesses, and individuals to improve their sustainability performance collaboratively. By connecting within the ecosystem, customers can work together to achieve their sustainability goals. One customer can communicate with all their material suppliers and service providers through the platform, encouraging and supporting them to enhance their sustainability performance.

We take pride in connecting people, businesses, municipalities, and authorities into a unified force. Together, we will build a more sustainable future for all.



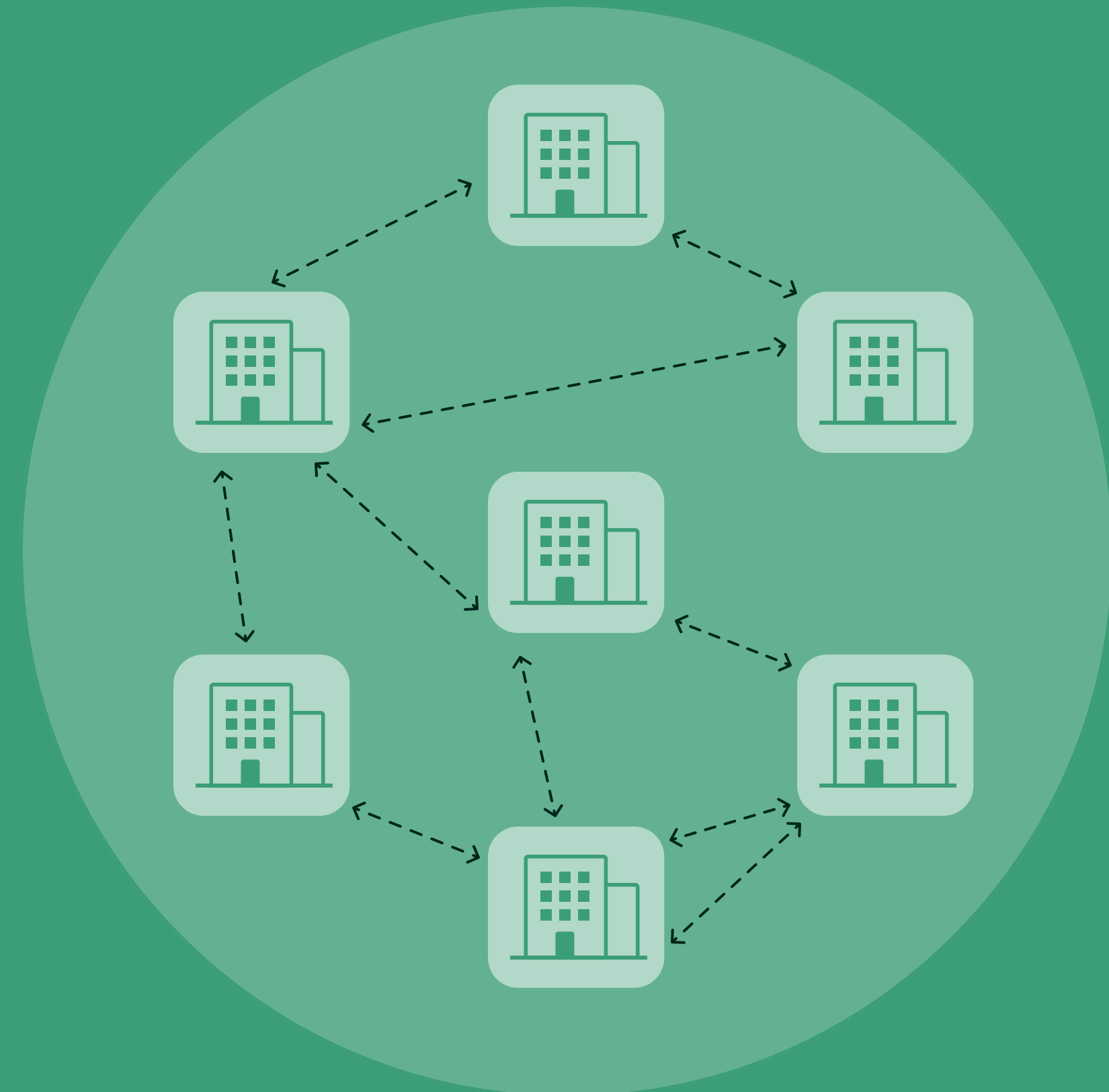
# Our Impact is through our ecosystem

Klappir ecosystem has unparalleled capability to integrate and streamline data sharing processes and analytics within both upstream and downstream value chains. This ensures that our customers have accurate and transparent data, enabling more informed decision-making and efficient operations.

The key driver of the ecosystem is Sustainable Development Goal 17, Partnership for the Goals.

## The positive Impact provided by the ecosystem

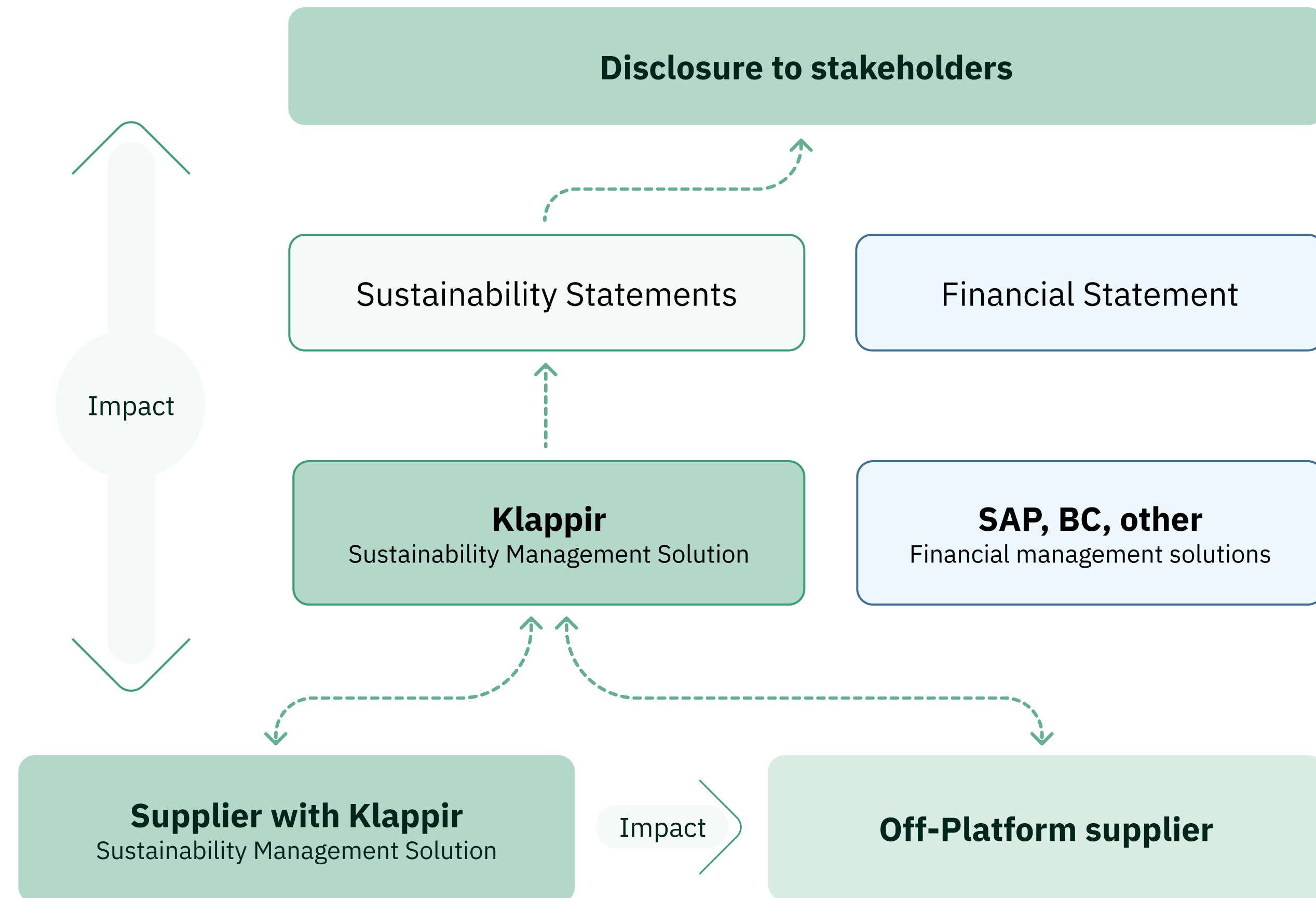
- Klappir connect new companies and their stakeholders to the existing Klappir ecosystem in following way:
  - New companies are connected to the existing ecosystem for data- and information sharing.
  - Existing ecosystem is expanded if new companies need data from companies that are not part of the ecosystem.
  - Data- and information sharing with authorities are supported through tagging of digital data and information to existing standard (ESRS).
- Klappir provide additional services to the ecosystem
  - Customers are part of a ecosystem with various collaboration. Companies in the ecosystem can share information about their sustainability effort in the platform, write their stories to be published and participate in Customer Advisory Board or working teams.
  - Participate in education, training provided by Klappir, share ideas and support others in the ecosystem.



**Klappir ecosystem  
allows trusted partnerships  
for the goals**



# The Klappir ecosystem is driver for positive impact



## Ecosystem Impact

When starting with Klappir, our Customer Success Team connects the new Klappir Platform to the existing ecosystem for seamless data sharing. The Klappir Platform supports two-way data communication, allowing it to both record and share data and information with others in the ecosystem efficiently.

If data is needed that is not within the existing ecosystem Klappir helps to connect new vendors to the ecosystem.

A fundamental aspect of effective sustainability management is the necessity for comprehensive data and information sharing between companies and stakeholders. Data and information sharing is as follows:

- Record activity based data** from material vendors in own value chain. Suppliers that are already in the Klappir ecosystem have ready connection for data sharing while new suppliers have to be connected (new-data pipe). Manual or semi-manual recording (posting) of data is also available method.
- Share sustainability performance information** with customers in own value chain. Customers that are already in Klappir ecosystem can provide the information about sustainability performance directly from own platform.





# Klappir is **Pure Play** company

**Klappir Green Financing Framework is based on existing international standards:**

- **The Green Bond Principles as published by the International Capital Market Association (ICMA) in June 2021.**
- **The Green Loan Principles published by the Loan Market Association (LMA) in May 2020**

Since the activities of the Klappir have been classified by ISS as green, all proceeds from Green Instruments will be used to finance Klappir's digital platform and ecosystem for sustainability.

As such, operations can be defined as projects, investments and expenditures under this framework which supports society's transition toward sustainability.

**A Green Financing Committee is in place at Klappir in which senior representatives from the company take part, tasked with ensuring that 90% of the company's revenues continue to be eligible for the pure play option.**

Klappir has worked with global sustainability advisor Ernst & Young (EY) to develop the Green Financing Framework and ISS-ESG has provided a second party opinion (SPO) to the framework. An independent assurance provider will provide limited assurance on the annual report for the purposes of this framework.

The Green Financing Framework is an important part of Klappir's sustainability strategy moving forward. This applies both to Klappir's internal operations, owners and the sustainable business environment and community that Klappir influences through its products and services.



# Financial highlights

EUR	2020	2021	2022	2023	2022-23
<b>Financial performance</b>					<b>Change</b>
Operating revenue	2,145,615	2,534,312	3,005,002	3,823,03	27%
Revenue growth	3.1%	18.1%	18.6%	27.2%	
EBITDA	167,850	167,850	210,103	648,029	
Operating profit (EBIT)	648,029	648,029	(243,862)	306,910	
Profit/loss before income tax (EBT)	306,910	(26,574)	(277,619)	51,722	
Net profit/loss for the year	45,103	(250,634)	(236,842)	58,362	
<b>Balance sheet</b>					
Total assets	3,230,236	3,230,236	4,117,692	5,365,898	30%
Total liabilities	465,041	555,037	1,628,265	2,847,835	75%
Total equity and liabilities	3,230,236	3,365,277	4,117,692	5,365,898	30%
Cash and cash equivalents at the end of year	537,892	519,187	1,015,316	1,828,613	80%

	2020	2021	2022	2023
<b>Financial ratios</b>				
EBITDA margin	7.8%	19.2%	7.0%	16.9%
Operating profit (EBIT) margin	-10.4%	2.3%	-8.1%	8.0%
Profit/loss before income tax (EBT) margin	-0.6%	-1.0%	-9.2%	1.4%
Net profit margin	2.1%	-9.9%	-7.9%	1.5%
<b>Share performance and capital allocation</b>				
Current ratio - current assets/current liabilities	6.4	5.3	5.3	6,2
Equity ratio - equity/total capital	85.6%	83.5%	60.5%	46.9%
Intrinsic value of share capital - equity / share capital	3.0	3.0	2.7	2.7



# ESG highlights

Environment (Climate Change E1 [tCO2e])	2020	2021	2022	2023	2022-23 Change
Scope 1	0.0	0.0	0.0	0.0	-
Scope 2 (location based)	3.4	0.5	1.2	1.5	25%
Scope 2 (market base)	-	-	8.3	8.5	2.4%
Scope 3	1.7	9.6	21.6	17.1	-20.8%
Total Scope 1,2 & 3 (location based)	5.2	10.1	22.8	18.6	-18.4%
Total Scope 1,2 & 3 (market based)	-	-	29.9	25.6	-14.5%

Environment (Climate Change E1 [tCO2e])	2020	2021	2022	2023	2022-23 Change
Total number of employee in the workforce	20	21	30	30	0%
Full-time employees in the workforce	100%	100%	90%	80%	-
Part-time employees in the workforce	0.0%	0.0%	3.3%	3.4%	-
Non-employee in the workforce	0.0%	0.0%	6.7%	16.7%	-

**Governance, (G1 Business conduct)**

See Governance section earlier in this report.

For further information see our Sustainability Statement, Annual Report and Financial Statement at:  
[www.klappir.com/investors](http://www.klappir.com/investors)





Section 7

# Business Model



# Klappir Market Territory is Expanding

**Our collaborative efforts through the Partner Network are reaching new horizons.**

While we remain committed to our successful direct sales approach in the Nordic market, we are also actively working to broaden the scope and reach of our Partner Network.

Initially focused on the Nordic market, we are now extending our collaborative efforts to new markets.

Our Partner Network is a thriving community that currently includes 20 esteemed partners spanning 25 countries (see Figure).

Partnering with Klappir is a commitment to sustainability and a smart business move. Our Partner Program is designed to foster mutually beneficial relationships, providing you with valuable opportunities to expand your business, differentiate your offerings, and drive revenue growth. Key Benefits of Partnering with Klappir:

1. Klappir is industry-Leading Sustainability Platform
2. Revenue opportunities for partners
3. Marketing support from Klappir
4. Klappir education, training and support
5. Differentiation in the market
6. Push for sustainability impact
7. Integrate use of Klappir into own organisation





# Business model

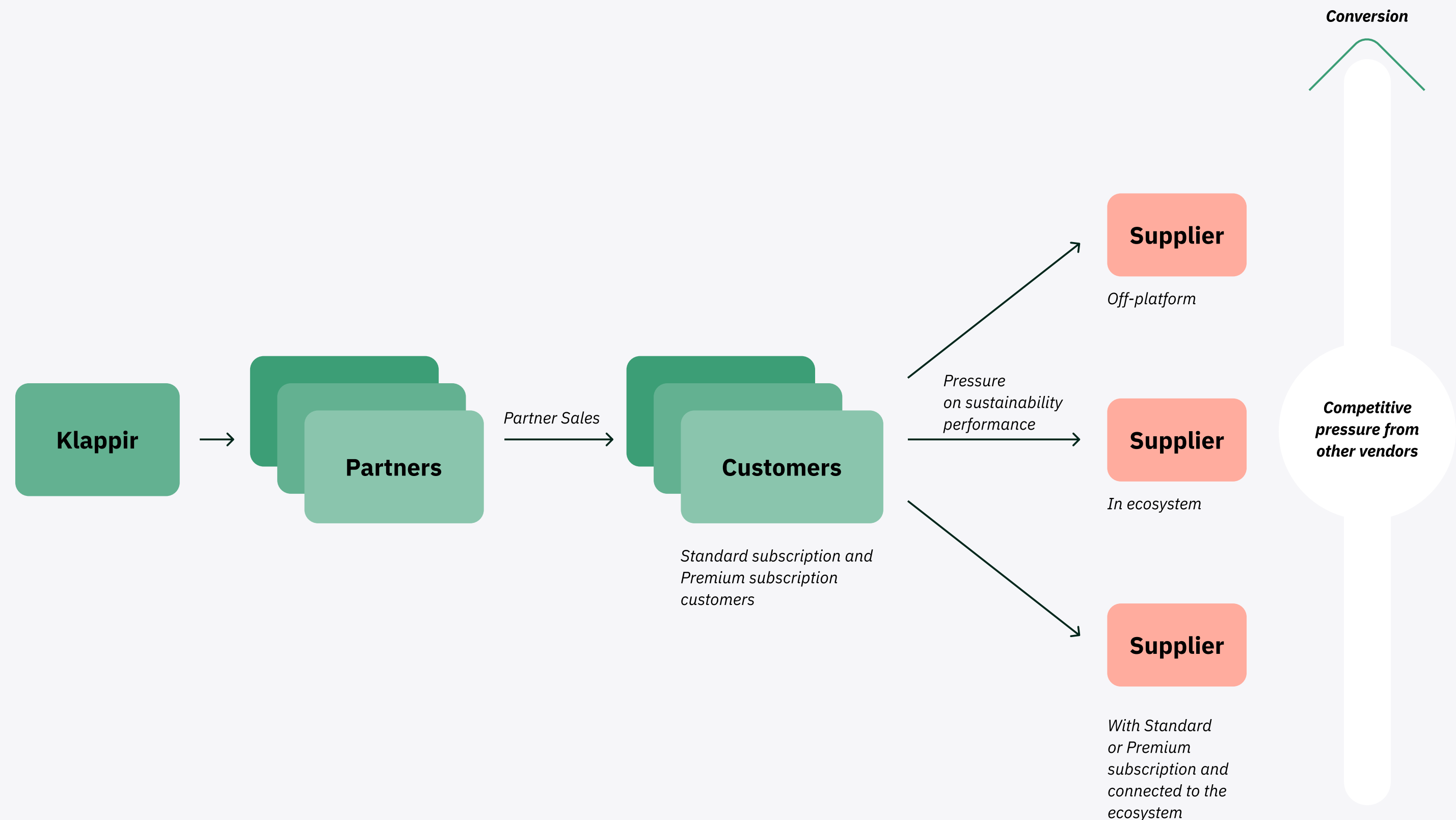
**Klappir is driving sales, influence & impact through customer value chain engagement.**

Klappir utilizes a strategic approach to drive its sales through a robust partner network. Each partner in this network brings specific knowledge and market access, enabling them to effectively reach and serve various customer segments.

For non-standard sales scenarios, Klappir takes a direct approach, engaging directly with customers to meet their unique needs. This ensures that customers receive tailored solutions that align with their specific requirements.

When customers require additional services such as sustainability consultancy services, process design, or assistance with data infrastructure, the partners step in to provide these specialized services. This collaboration ensures that customers receive comprehensive support, leveraging the expertise of both Klappir and its partners.

This multi-faceted strategy allows Klappir to maximize its market reach, effectively address diverse customer needs, and provide a holistic service offering through its partner network.



The Klappir Platform enables customers to seamlessly connect with their suppliers across the value chain through a sophisticated data pipelines. This connection allows customers to exert pressure on their vendors' sustainability performance through comprehensive ratings and assessments.

For suppliers, demonstrating superior sustainability performance compared to their competitors is paramount. By using the Klappir Platform, vendors can showcase their commitment to sustainability, providing transparency and gaining a competitive edge in the market.

Through this approach, Klappir not only facilitates improved sustainability practices but also fosters a collaborative environment where both customers and vendors can thrive by prioritizing sustainability.



# Value creation

Our value creation is designed to create long term value for our customers, our society, our employees, shareholders and our partners.

## Feedback from our resources

Insights from customer  
Insight from partners  
Diverse talents  
Financial resources

## Innovation & product development

Our product development, innovation and research work is core of our business.

We provide the technology that bridges the gap between ambitious sustainability goals and tangible outcomes, making sustainable business practices accessible and actionable for everyone.

## Production

Our software production is a dynamic field that requires a blend of technical skills, creative problem-solving, and strategic planning.

## Partners & distribution

We distribute our Platform to the global market through our partners.

With our partners we have extended impact, built on solid market knowledge, localized expertise and support together with our platform.

## Positive Sustainability Impact by our customers

Our delivery to our customers are either directly or through our partners.

The customers are onboarded through guided digital onboarding program.

By combining our partners expert guidance with our robust platform, we want to ensure that every customer maximizes the benefits of our solutions and achieves their sustainability goals.



Section 8

# Consolidated Financial Statements



# Income statement

For the period from January 1, 2024, to June 30, 2024.

ISK million	Note	Jan-June* 2024	Jan-June 2024	Jan-June 2023	Jan-June 2023-24 Change
<b>Income Statement</b>					
Total revenue		297.4	297.4	277.8	7.1%
Allocation of revenue		(26.0)			
Net revenue		271.4	297.4	277.8	
Cost of service sold		(18.3)	(18.3)		
Gross profit		253.1	279.1	277.8	
Salaries and other employee expenses		(161.5)	(161.5)	(184.6)	(12.5%)
Other operating expenses		(59.6)	(59.6)	(49.6)	(20.2%)
Amortisation and depreciation		(26.3)	(26.4)	(37.5)	(29.6%)
Operating profit		5.7	31.6	6.1	415.1%
Financial income		0.2	0.2	0.1	300.0%
Financial expenses		(17.8)	(17.8)	(2.0)	809.1%
Net currency difference		1.6	1.6	2.8	(43.3%)
Profit before income taxes		(10.3)	15.6	7.0	121.3%
Income taxes		0	0	0	
<b>Net profit</b>		<b>(10.3)</b>	<b>15.6</b>	<b>7.0</b>	<b>121.3%</b>

ISK million	Note	Jan-June* 2024	Jan-June 2024	Jan-June 2023	Jan-June 2023-24 Change
<b>Financial highlights</b>					
Annual recurring subscription revenue (ARR)		385.5	385.5		
Net revenue		271.4	297.4	277.8	7.1%
EBITDA		32.0	58.0	43.6	33.0%
EBITDA margin		11.8%	19.5%	15.7%	
EBIT margin		2.1%	10.6%	2.2%	
EBT margin		(3.8%)	5.2%	2.5%	
Net profit margin		(3.8%)	5.2%	2.5%	
Total assets		840.6	840.6	683.8	22.9%
Total liabilities		473.3	447.3	303.8	47.2%
Total equity and liabilities		840.6	840.6	683.8	22.9%
Cash and cash equivalents at the end of the year		158.6	158.6	118.8	
<b>Share performance and capital allocation</b>					
Current ratio		4.0	5.0	7.4	
Equity ratio		43.7%	46.8%	55.6%	
Value of share capital - equity / share capital		2.6	2.8	2.7	

\*Shared figures pertain to consolidated figures. In 2023 Klappir subscription revenue was calculated both as monthly revenue and annual revenue. Starting from January 1, 2024, Klappir changed all subscription revenue calculations to be on a monthly basis, regardless of whether invoicing is monthly or annual (periodical allocation of the revenue).



# Balance sheet

## as of June 30, 2024

ISK million	Note	June 30th* 2024	June 30th 2024	June 30th 2023
<b>Non-current Assets</b>				
Current assets		311.2	311.2	247.8
Operating assets		4.4	4.4	7.8
Deposits		1.4	1.4	2.3
Deferred tax assets		28.3	28.3	21.3
<b>Total current assets</b>		<b>345.3</b>	<b>345.3</b>	<b>279.2</b>
<b>Current Assets</b>				
Accounts receivable		39.5	39.5	53.8
Other short term receivables		297.3	297.3	232.0
Cash and cash equivalents		158.6	158.6	118.8
<b>Total current assets</b>		<b>495.3</b>	<b>495.3</b>	<b>404.6</b>
<b>Total assets</b>		<b>840.6</b>	<b>840.6</b>	<b>683.8</b>

\* New accounting principles

ISK million	Note	June 30th* 2024	June 30th 2024	June 30th 2023
<b>Equity and liabilities</b>				
Share capital		139.0	139.0	139.4
Share premium		478.2	478.2	482.3
Reserved equity		135.3	135.4	135.4
Accumulated equity		(385.3)	(359.3)	(376.7)
Translation differences		0.07	0.03	(0.3)
<b>Total equity</b>		<b>367.3</b>	<b>393.3</b>	<b>380.0</b>
Long term loans		313.1	313.1	213.5
Owed to related parties		35.3	35.3	35.3
<b>Total non-current liabilities</b>		<b>348.5</b>	<b>348.5</b>	<b>248.8</b>
Account payables		22.9	22.9	11.1
Other short term liabilities		72.5	72.9	43.9
Pre-collected income		29.4		
<b>Total current liabilities</b>		<b>124.8</b>	<b>98.8</b>	<b>55.0</b>
<b>Total liabilities</b>		<b>473.3</b>	<b>447.3</b>	<b>303.8</b>
<b>Total equity and liabilities</b>		<b>840.6</b>	<b>840.6</b>	<b>683.8</b>



# Cash flow statement

for the period ended June 30 2024

ISK million	Note	Jan-June* 2024	Jan-June 2024
<b>Cash flow statement</b>			
Net profit		5.7	31.7
<b>Items not affecting cash flows:</b>			
Depreciation and amortisation		26.3	26.3
Loss (-profits) from sale of fixed assets		0.0	0.0
Change in working capital		32.0	58.0
Current receivable, (increase)/decrease		(126.2)	(126.2)
Current liabilities, increase/(decrease)		28.7	2.8
Interest received		0.2	0.2
Interest paid		(0.5)	(0.5)
Currency exchange rate differences		1.6	1.6
<b>Net cash generated from operating activities</b>		<b>(64.2)</b>	<b>(64.2)</b>
Purchase of intangible assets		(51.4)	(51.4)
Purchase of tangible assets (equipment)		(0.2)	(0.2)
<b>Net cash from investment activities</b>		<b>(51.7)</b>	<b>(51.7)</b>

\* New accounting principles

ISK million	Jan-June* 2024	Jan-June 2024
<b>Financial activities</b>		
Own shares, sold/(purchased)	0.0	0.0
Proceeds from sales of intangible assets	0.0	0.0
<b>Net cash used in financing activities</b>	<b>0.0</b>	<b>0.0</b>
<b>Changes in cash and cash equivalents</b>		
	(115.9)	(115.8)
Cash and cash equivalents at the beginning of period	274.3	274.3
Effect of currency exchange rate difference	0.1	0.1
<b>Cash and cash equivalents at the end of period</b>	<b>158.5</b>	<b>158.5</b>



# Notes

## to the financial statements

Shareholder's equity	Share capital	Share premium	Restricted equity	Retained earnings	Total equity
<b>Equity at 01.01.2023</b>	<b>139.353.700</b>	<b>482.279.200</b>	<b>113.010.584</b>	<b>(361.229.402)</b>	<b>373.414.080</b>
Purchased own stock	(310.000)	(4.080.000)			(4.390.000)
Translation difference				(68.911)	(68.911)
Profit/loss for the period				8.754.277	8.754.277
<b>Equity at 31.12.2023</b>	<b>139.043.700</b>	<b>478.199.200</b>	<b>113.010.584</b>	<b>(352.544.036)</b>	<b>377.709.448</b>
Purchased own stock					0
Translation difference				15.279	15.279
Profit/loss for the period				(10.362.140)	(10.362.140)
<b>Equity at 30.06.2024</b>	<b>139.043.700</b>	<b>478.199.200</b>	<b>113.010.584</b>	<b>(362.890.897)</b>	<b>367.362.587</b>

Tangible and intangible assets	Goodwill	Research and development	Other tangible assets	Total
<b>Balance at 01.01.2023</b>	<b>71.549.984</b>	<b>166.619.898</b>	<b>8.873.075</b>	<b>274.042.957</b>
Purchased during the year		96.111.129		96.111.129
Sold during the year		(20.000.000)		(20.000.000)
Capital gain (loss) of sale of assets		19.830.435		19.830.435
Correction		(1.658.026)		(1.658.026)
The year's amortization/depreciation	(17.920.881)	(30.853.807)	(2.269.094)	(51.043.782)
<b>Balance at 31.12.2023</b>	<b>53.629.103</b>	<b>230.049.629</b>	<b>6.603.981</b>	<b>290.282.713</b>
Purchased during the year		51.430.700	236.058	51.666.758
Sold during the year				0
Capital gain (loss) of sale of assets				0
Correction				0
The year's amortization/depreciation	(8.960.440)	(16.471.224)	(916.013)	(26.347.677)
<b>Balance at 30.06.2024</b>	<b>44.668.663</b>	<b>265.009.105</b>	<b>5.924.026</b>	<b>315.601.794</b>





**Klappir**

**The smart way to sustainability**

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