



Klappir

The smart way to sustainability

Annual Sustainability Report
2020





Management review

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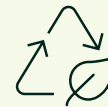
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Letter from the Chairman

The smart way to sustainability

Klappir sustainability solutions will be a growing part of organisations operational, competitive, legal, and regulatory strategies.

For Klappir, the 2020 has been challenging year because of the COVID-19 pandemic. We have worked hard to respond to the challenge and keep focussing on further development of our products and strengthen the strategy for the next years.

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 comes to terms with desperate need for increased environmental awareness and a partnership fuelled by frontier digital technologies.

Comprehensive cooperation and data sharing is one of the keys to success. We provide the technologies and experience of the needed quality and proven track record that support those crucial elements.

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

Increased environmental 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 liveable.

Therefore, in the years to come there will be a growing demand for efficient software solution to increase decision speed and accuracy related to environmental accounting, analytical processing, environmental predictions and goal settings.



The world is changing – so should we

Increased environmental awareness is an economical fact. Companies will both respond to existing environmental rules and regulations and also anticipate what is coming up on the legislative agenda and make themselves able to comply as fast and efficiently as possible. Sustainability will not be viewed as a painful cost of doing business, companies will work with sustainability as core of their business and therefore build bridges between their sustainability processes and operational improvements.

To monitor and interconnect activities in a global accounting system as Klappir does, will be a part of an enterprise-wide strategy to keep ahead of competitors as well as law and regulations.

The push of laws and regulations in the coming years together with companies own initiatives is likely to enlarge exponentially the market for environmental services and Klappir sustainability solutions.

Proven benefits

Among the many benefits for organizations of using the Klappir Digital Platform are:

- Reduction of the environmental impact of their operations by getting exact and reliable information on sustainability performance. Meet new reduction targets for further improvements.
- Reduction of operational cost of consuming energy and / or creation of waste as a result of more prudent and disciplined operational practices.
- Reduction of sustainability risk by increasing transparency on the environmental impact of the businesses operations, providing reliable and thorough environmental accounts and communicate environmental information and successes to relevant stakeholders in accordance to the companies' policies.

Klappir sustainability ecosystem in Iceland with its organic growth out of Iceland is unique in the world today. It has shown that it is possible to support sustainability effort of a whole nation with digital technology if it is cost-effective and provides a framework that is internationally approved. The Klappir ecosystem is tightly linked to the SDG17 (Partnerships for the Goals) where all users in the ecosystem work together toward common goals. Today, the Klappir ecosystem includes businesses from various sectors of industries and services as well as government and municipalities.

In our forthcoming plans we want to further develop our digital sustainability solutions to cover more of the indicators of the Sustainable Development Goals (SDGs). It will not only require utilising new sources of data, but also an enhanced ability to bring together these data on the environment with relevant economic and social data.

Finally, On behalf of the Board of Directors I would like to offer my thanks to all Klappir employees for their hard work and commitment during the exceptional challenges of 2020; and to our shareholders for their continued support.

Linda Björk Ólafsdóttir
Chairman

Letter from the CEO

A world-Class Sustainability Solution from Iceland

Klappir will deliver cost-efficient and innovative digital sustainability solutions globally, building on our solid and dynamic base. Our Icelandic roots will grow, to help mitigate the world's #1 challenge and make it more ... livable

The Icelandic market, where we developed our sustainability solutions for society testifies organizations tremendous need for transparency and clarity on sustainability. Globally the same need for digital sustainability solutions occur. We have proven track record where we have standardized approach to sustainability in the workplace and its disclosure.

In 2020, despite the pandemic and a turbulent business environment, Klappir took multiple important steps towards delivering and bringing our inventive sustainability solutions to the global market. 2020 was a strong year for Klappir, with 72% growth in users of the platform and 8,7% growth in SaaS revenue. When it came to dealing with a challenging business environment, Klappir benefitted from the valuable work conducted in 2019 on streamlining operations and aligning it to our core business.

We are enjoying our leadership with our solutions for sustainability. The users of our solutions are more than 4,000 today and is progressively growing.

With massive development work behind us, we refined our 2017 strategy. Our resulting strategy for 2020-2025 will sustain innovation, product development and customer success. We will focus on bringing our beyond-state-of-the art solutions abroad through developed and efficient sales channels.

Iceland will continue to be our most important market. Employing Klappir technology, many Icelandic companies, institutions and municipalities cooperate seamlessly with digital communication, transparency and reliable disclosure of sustainability results.





The unique Icelandic environment defines Klappir. We are very proud of our Icelandic roots and how Iceland's businesses and municipalities have embraced our technology and supported us with reliable feedback and inventive use of our Klappir Platform.

Responsibility to Society and Risk

We operate extensive digital sustainability ecosystem in Iceland and support users of our solutions in their growing sustainability efforts. We feel responsible towards our society and our clients and therefore we make risk analyses and risk mitigation central to our decision-making processes.

We have financed, developed and distributed completely new technology and methodologies to deal with the greatest risks that humanity faces. As a data driven company with the responsibility of governing a organized sustainability ecosystem we bear special responsibility toward society. This relates to the structure of the company, the business concept as a whole, data security and disclosure of sustainability performance to general public and Government.

Our growth strategy

With our clear 2020-2025, long-term vision, Klappir will now focus on its growth. The growth strategy is clear, built on the following three sales approaches.

- Partnership with global partners that distribute our platform both within specific industries and across industries.
- Direct sales to customers that is driven by direct contact with each customer.
- Web engine driven sales where clients can start using our platform with limited support from us.

The web engine driven sales will increase the speed of distribution of our platform. To that end, we are developing and implementing this web engine that will increase the speed of the sales, user registration and implementation.

The web engine enables us to reach more clients globally and scale up faster than planned for in our previous strategy. Further development of this technology will continue in 2021.

Looking to the future, our Sustainability Platform will continue to grow beyond Iceland as the world's most reliable and trusted platform of its kind. At the same time we will grow our Sustainability Ecosystem globally, country by country.

Stability and vision

Klappir is a successful and innovative company with the stability and persistence needed when developing new technology for an emerging and demanding market.

One of the most important pillars of our success is the flexible structure of the company's shares. This two-class arrangement provides the important balance between Klappir shareholders looking for value creation/short-term returns and the company's long-term vision and purpose.

In closing, I salute my Klappir colleagues for their commitment and solid support throughout this challenging year, and thank to our partners, clients and collaborators. A sincere thank to our Board of Directors for their continuous engagement and constructive work. And I would like to underline my thanks to our shareholders for their sustained and valued support.

Jón Ágúst Þorsteinsson
Chief Executive Officer

Klappir at a glance

We are a smart tool to:



Reduce your negative environmental impact



Reduce your risks



Reduce your costs



322m
ISK revenue



25m
ISK EBITDA



4,000+
global users



20
countries



73%
equity ratio



20
employees

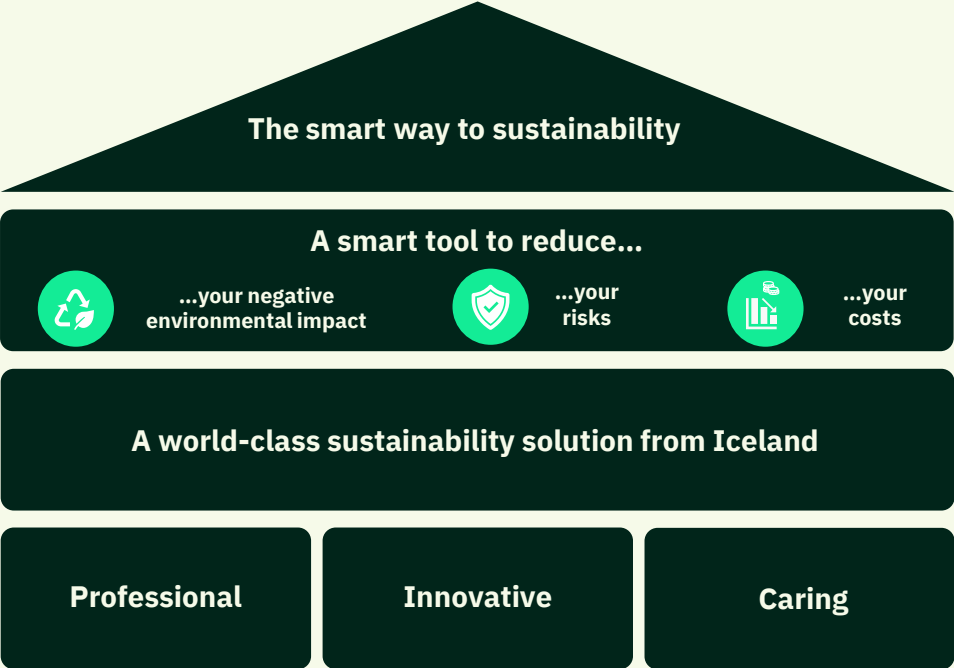


491m
total assets



Nasdaq
Nasdaq First North-listed
since September 2017

Our brand house



Our strategy

Our mission

To bring clarity to sustainability

Our vision

To lead the world in coordinated data-driven sustainability efforts

Our core values

We are **professional** towards all our stakeholders: our team, our customers, our investors, and our society

We are **innovative**, providing cutting-edge digital sustainability solutions to society

We **care** for the environment and are committed to using resources wisely.

Our contribution to society is development of digital platform and ecosystem to reduce

Negative environmental impact: We help our customers closely monitor their negative environmental impact. We continuously inspire and motivate our customers to go the extra mile with their sustainability goals and efforts

Risks: We help our customers closely monitor their suppliers and easily generate reports in order to be fully compliant with applicable regulations and provide full transparency to their stakeholders

Costs: We help our customers closely control how their processes affect their environmental impact and reach greater operational and cost efficiency

What our customers say

We focus on our customers success

“Working with Klappir is like a quality stamp. They do our ESG report very professionally. We look at them as one of our **most valuable partners**”.

“Klappir is **just one click away**. We really like the feature that it is a real-time view, which gives us a new insight into our business”.

“The customer service is very good and personal. Their trustworthiness is 100% and it is vital for us. The figures are reliable and correct. We will **recommend Klappir 100%**”.

“They are really the only one on the market **delivering a perfect solution as well as service support**. On a scale to 10, they receive a 10”.

“We have been using the Klappir customer service a lot and **the service is excellent**. We have been asking Klappir to add certain features that are **tailormade to our needs**”.

“We never get tired of telling the story that **we are now paying 27% less per kilo of waste** that is being destroyed after we have implemented the Klappir solution”.

Our business model

At Klappir, we aim to fulfil our mission and deliver to society our cutting-edge contributions in innovation, software development and methodologies. We will continue to support capacity-building and dissemination of knowledge. We aim to put the data behind sustainability efforts, world-wide. Our digital sustainability solutions for society includes two main interconnected concepts:

Klappir Digital Platform - the proprietary software solution developed by Klappir containing unique technology and methodology for collecting, structuring and processing sustainability data.

Klappir Digital Ecosystem – the infrastructure of connected databases providing data into the digital platform. The ecosystem enable cooperation between businesses, municipalities, government, and academia, to work collectively toward improved sustainability performance - by sharing accurate and transparent source data and knowledge with each other.

We believe that Klappir digital frontier technology for collecting data and sharing sustainability information gives the society the necessary insight to improve its sustainability performance

Klappir Digital Platform

Klappir brings clarity on sustainability through standardized structure for data recording, accounting and disclosure. Klappir Digital Platform for sustainability is developed with the specific purpose shown below:

- Sustainability transparency, accounting and disclosure. Activity data related to use of energy, carbon fuels and other company value chain services is transformed automatically into sustainability information.
- Sustainability performance and efficiency analytics. Data related to individual assets like facilities, automobiles and ships are transformed into sustainability performance metrics.
- Sustainability compliance. Recorded data are used for disclosure of compliance toward local and international law and regulations. One example is compliance to IMO Marpol Annexes as well as European regulations.

Businesses and governments worldwide now have access to the fully-tested and solid Klappir Platform to help them to reduce their environmental risk, reduce their environmental impact and reduce their risk.

Klappir Digital Ecosystem

The ecosystem is an interconnected socio-technological system' with adaptive properties of self-organization and scalability. In this sense our digital sustainability ecosystem is much like natural ecosystems that is characterized by competition and collaboration among its many diverse components.

Transparency and safeguarding of privacy are at the core of our ecosystem for data, algorithms and insights. Our ecosystem does not live in a single cloud – but it utilizes network where data, data processing techniques, metadata and experiences can be shared, tracked and replicated by the connected users. Klappir understands the importance of ensuring transparency and using only trusted data sources will be increasingly important in a world where social media posts, written narratives, images, videos and in the future perhaps even consciousness can be created and altered.

Klappir govern the ecosystem at own cost providing the access to the ecosystem free for all. As an example all ships arriving Icelandic waters connect to the Klappir ecosystem and share environmental data through the ecosystem.

Klappir Digital Platform for sustainability

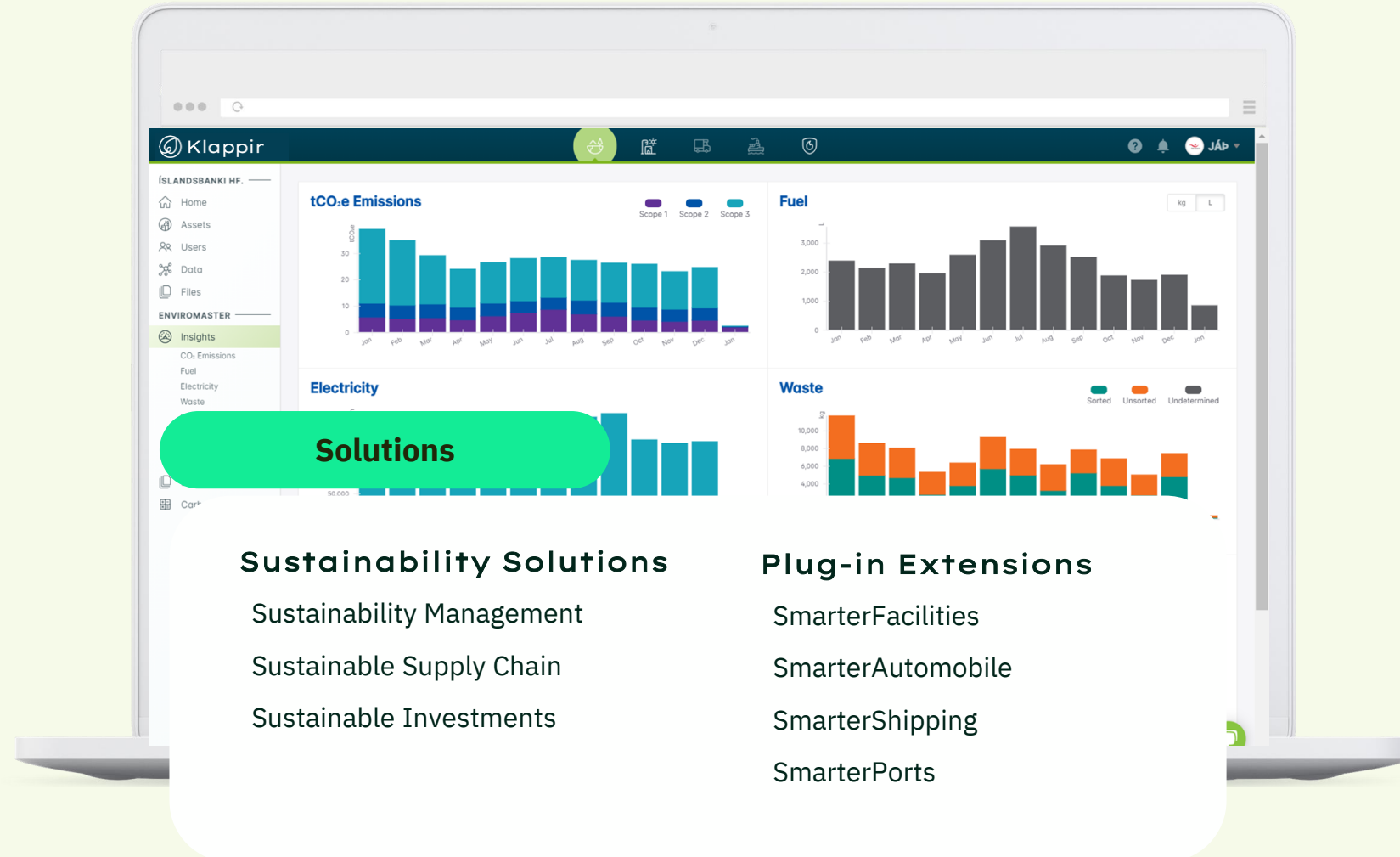
The technology in the platform includes number of core components like.

Methodology: data standards and quality assurance, data recording, data processing, analytics and data validation components.

Infrastructure: data infrastructure, data management, integration and harmonisation of data, access to data, API 's and web services, data processing power and user management.

Algorithms and analytics: transparent, quality assured analytics and algorithms, conversion factors and simulation engine.

Insights and application: user friendly frontend with graphs and numbers, KPi analytics and reporting.



Klappir Digital Ecosystem for sustainability

The ecosystem includes number of social components like.

Connect: the users of the Klappir digital platform can connect to the ecosystem and enjoy sharing data and information with others.

Share: each user of Klappir digital platform can share information; raw data reports and insights, to all users connected to the ecosystem.

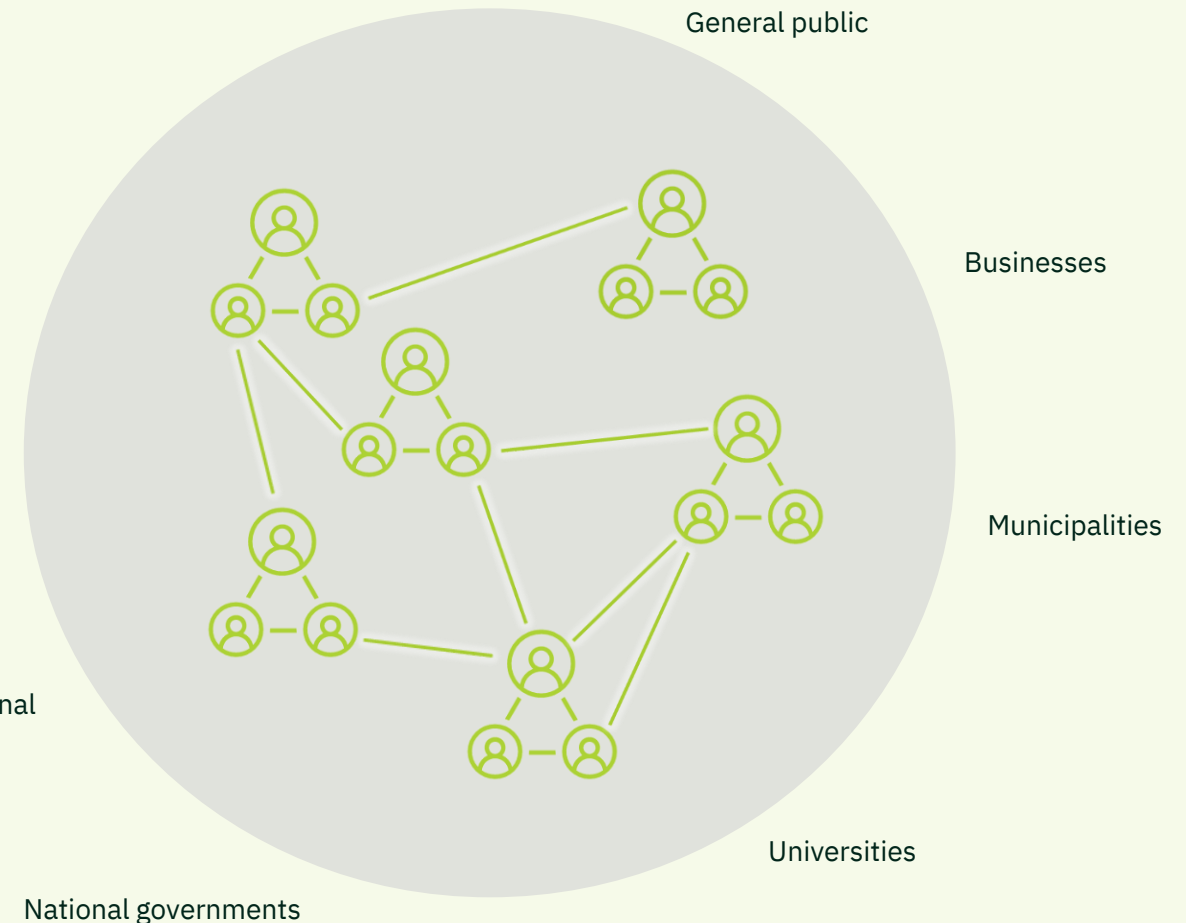
Receive: each connected user can receive data and information from the whole ecosystem.

Cooperate: each user in the ecosystem has personalized accounts. Users can both log into the ecosystem for individual tasks or have full access. The ecosystem is global, there are no borders for cooperation.



UN

Supranational



Our business model offers scalability, driven by three sales approaches



Sales Led Growth (SLG) approach
with direct sales to customers



Strategic partnerships
with global and regional partners



Product Led Growth (PLG) approach
using self-service sales engine

We have a strong strategic infrastructure that supports our growth model



Excellent employees with unique know-how within Klappir domain



Expansion out of Iceland, a valuable established reference market



Solid ecosystem with 4,000+ user accounts



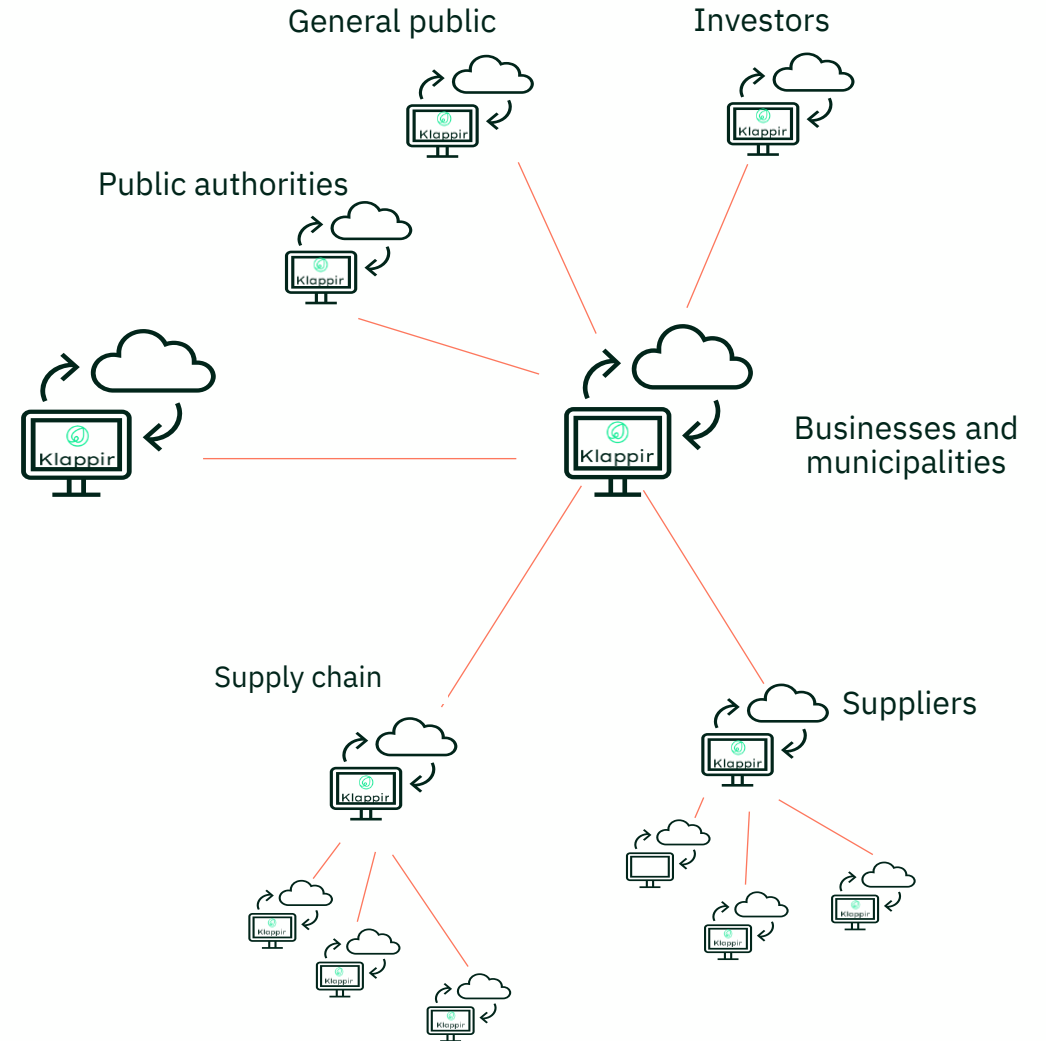
Scalability driven by three sales approaches



Solid software as a service (SaaS) revenue model



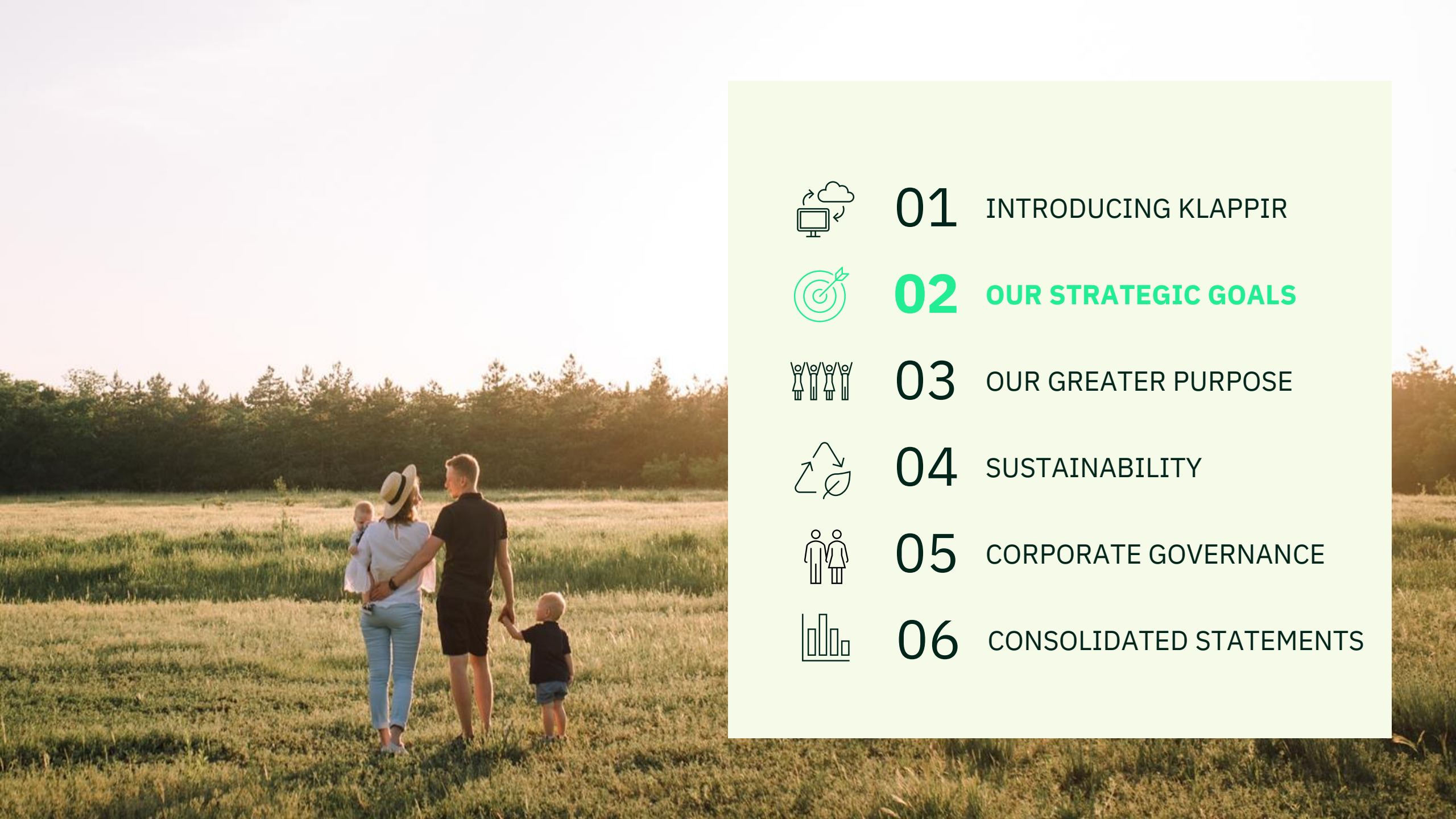
Rapidly growing market segment



Sustainability drivers

Financial highlights

Year 2020	ISK million					
	2016	2017	2018	2019	2020	2019-2020 Change
322 ISKm Revenue	Financial performance:					
	Revenue	123,2	210,4	242,3	311,9	321,8 3,1%
	Revenue growth	94,9%	82,6%	15,1%	28,7%	3,1%
4.000+ Users accounts	Expenses	199,8	223,0	208,6	351,9	296,6 (15,7%)
	EBITDA	(72,7)	(12,5)	33,7	(39,9)	25,1
7,8% EBITDA	Operating profit/loss	(63,4)	(48,1)	(8,4)	(149,6)	(37,5)
	Total assets	269	362	343	491	484
	Equity	183	259	251	357	414
85,6% Equity ratio	Financial ratios:					
	EBITDA	(59,0%)	(6,0%)	13,9%	(12,8%)	7,8%
	Current ratio	11,4	3,9	4,7	2,8	6,4
	Equity ratio	65,0%	71,7%	73,2%	72,9%	85,6%
6,4 Current ratio	Software development:					
	Total number of users	55	700	1.530	2.328	4.005 72%
	SaaS income change					8,7% 8,7%



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Our customers in various industries have reduced

- + Their average emissions by 16% and 21% by revenue
- + Their sustainability risk by transparent ESG disclosure
- + Their operational and sustainability costs by improved sustainability performance



Maritime



Manufacturing



Aviation & Tourism



Retail



Waste Management



Fishery



Banks & Investors



Construction



Real Estate



Ports & Harbours



Municipalities &
government

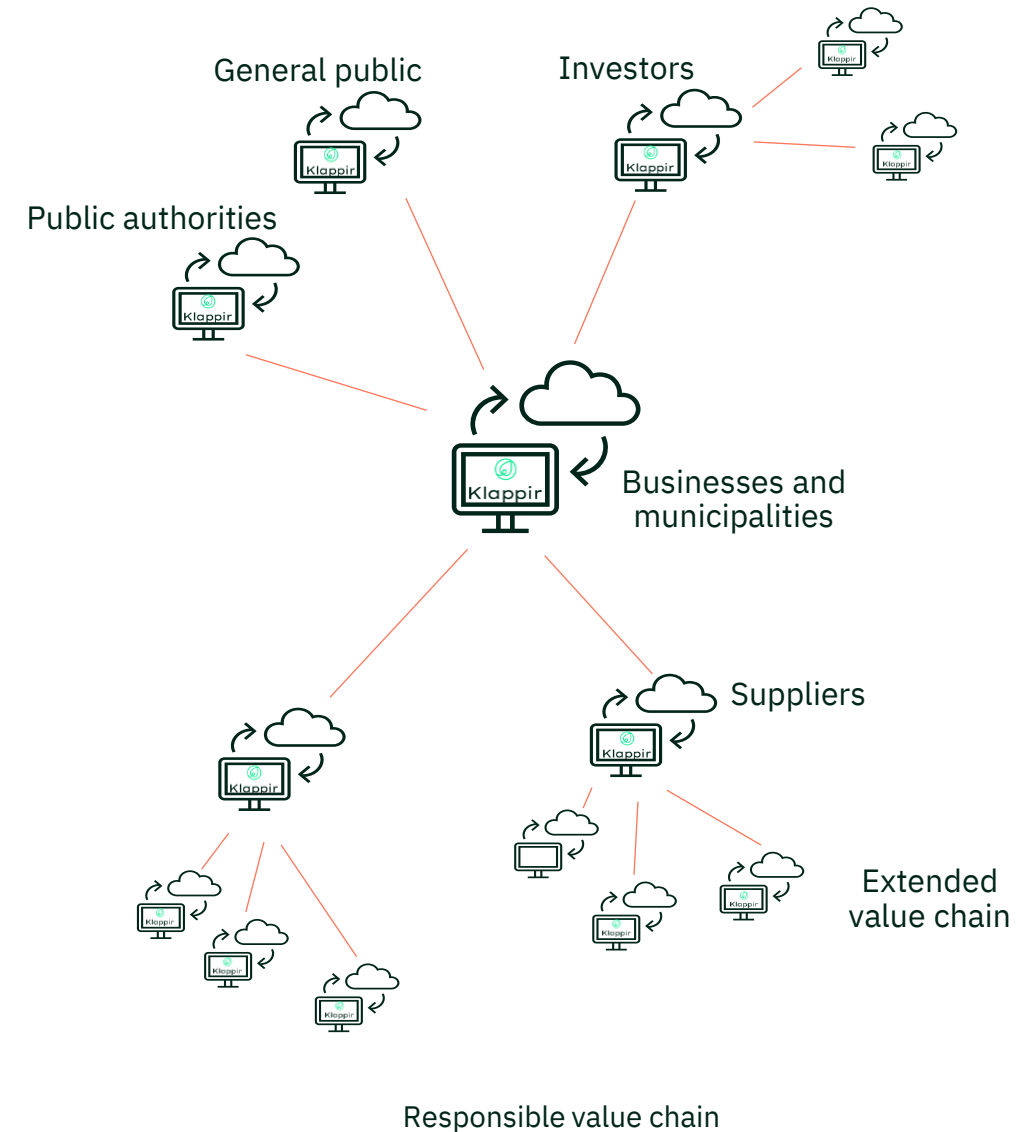


Agriculture

Users can disclose their sustainability to each other and the society

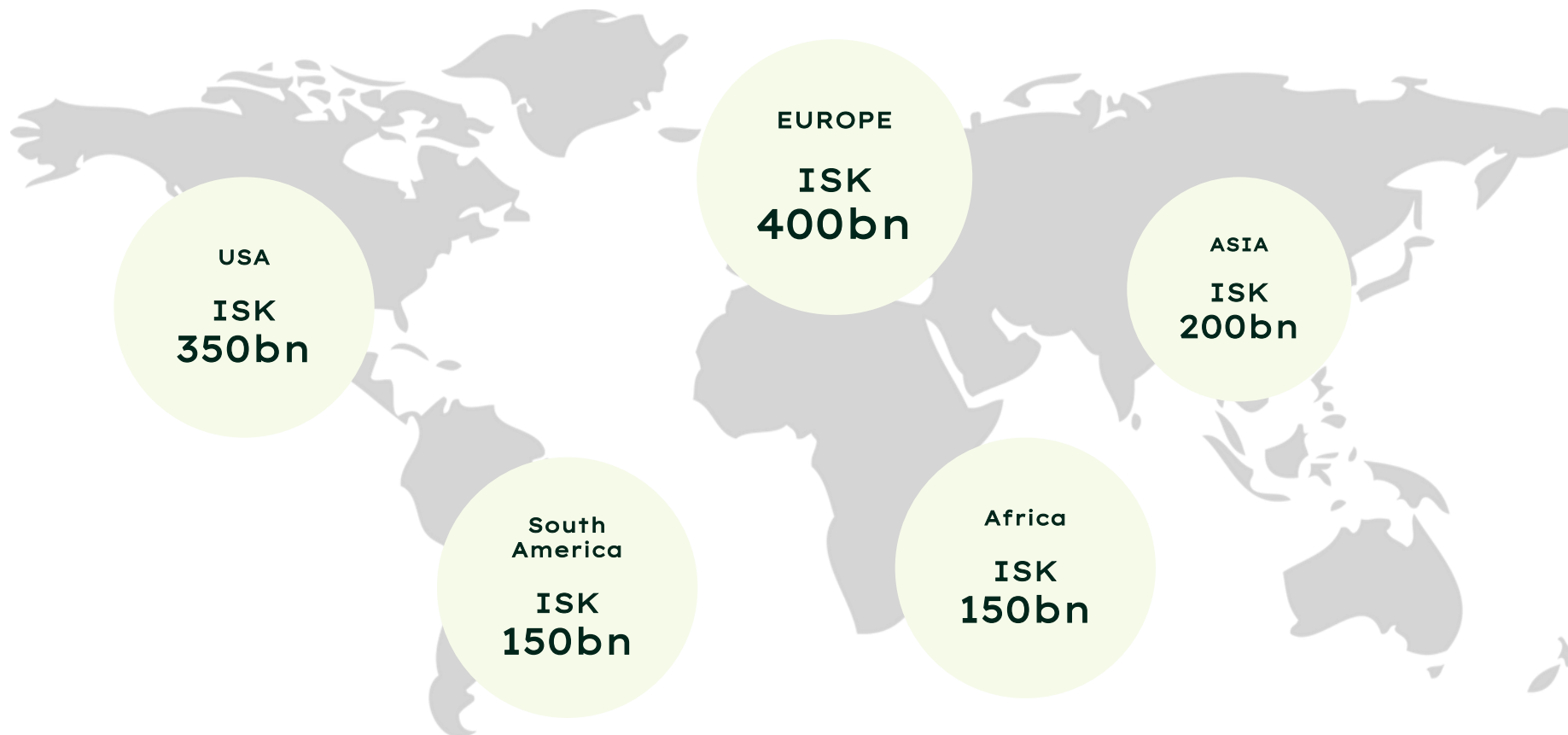
- The public will increase the pressure on businesses and municipalities, demanding information on their operational sustainability
- Public authorities will continue to implement laws and regulations to ensure sustainability compliance and reporting
- Investors will push for trusted and transparent sustainability data
- Businesses and municipalities will push their value chain for sustainability information

Increased pressure from stakeholders will speed up the growth of the ecosystem

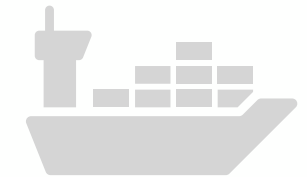


We have a huge blue-ocean market opportunity

Expected growth of the digital sustainability software market to 2030 (annual revenue)



Maritime market including ports and harbors

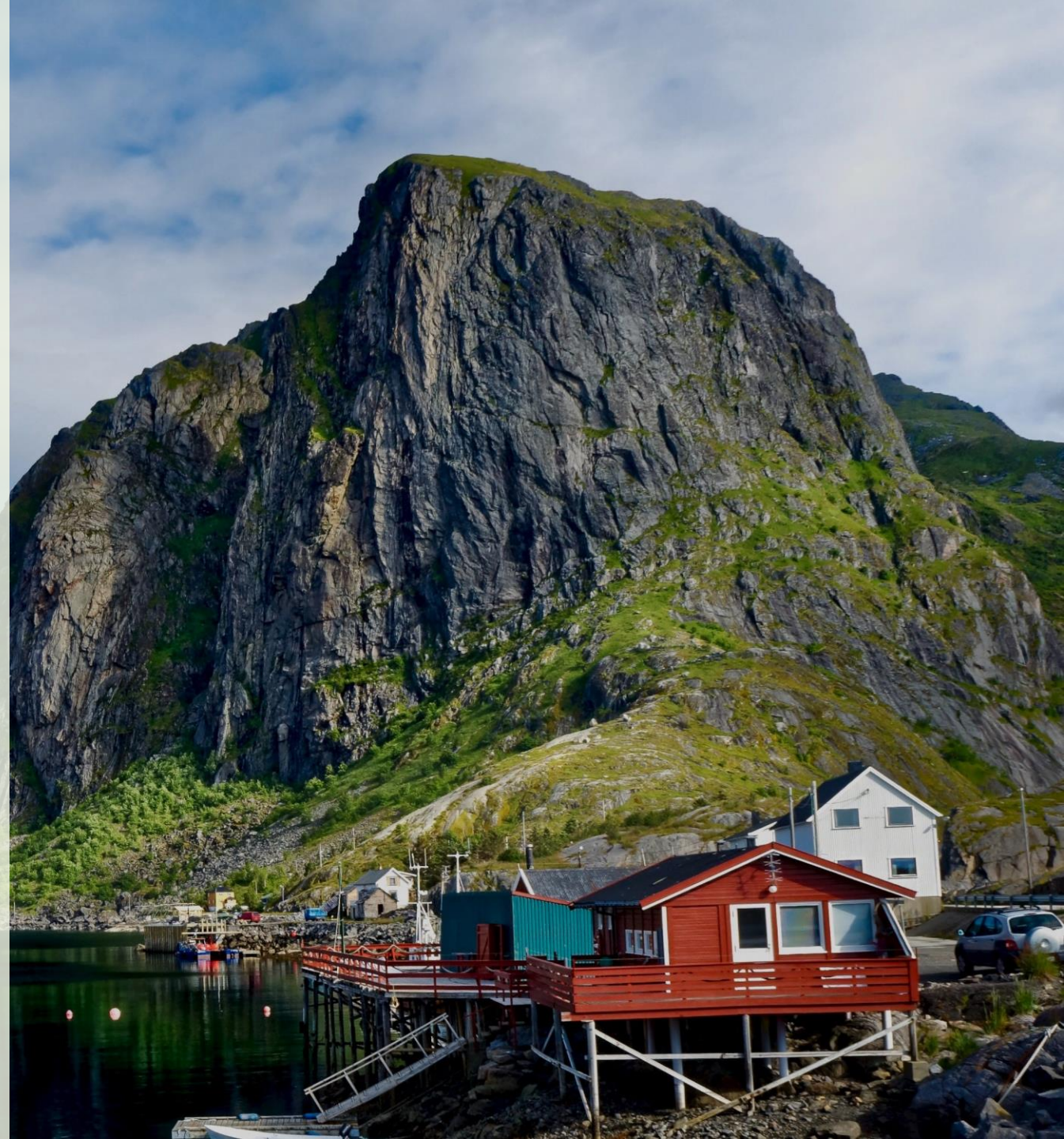


~ 70,000 ships

Revenue potential
~ ISK 8bn

Our sales focus in 2021 is on the Nordic countries

- The Nordic countries comprise the 12th largest economy in the world (World Bank, 2019)
- The Nordic Region focus on:
 - **Green Nordic Region** – to promote the green transformation
 - **Competitive Nordic Region** – to promote green growth
 - **Socially Sustainable Nordic Region**
- Nasdaq Scandic includes 1,100+ companies

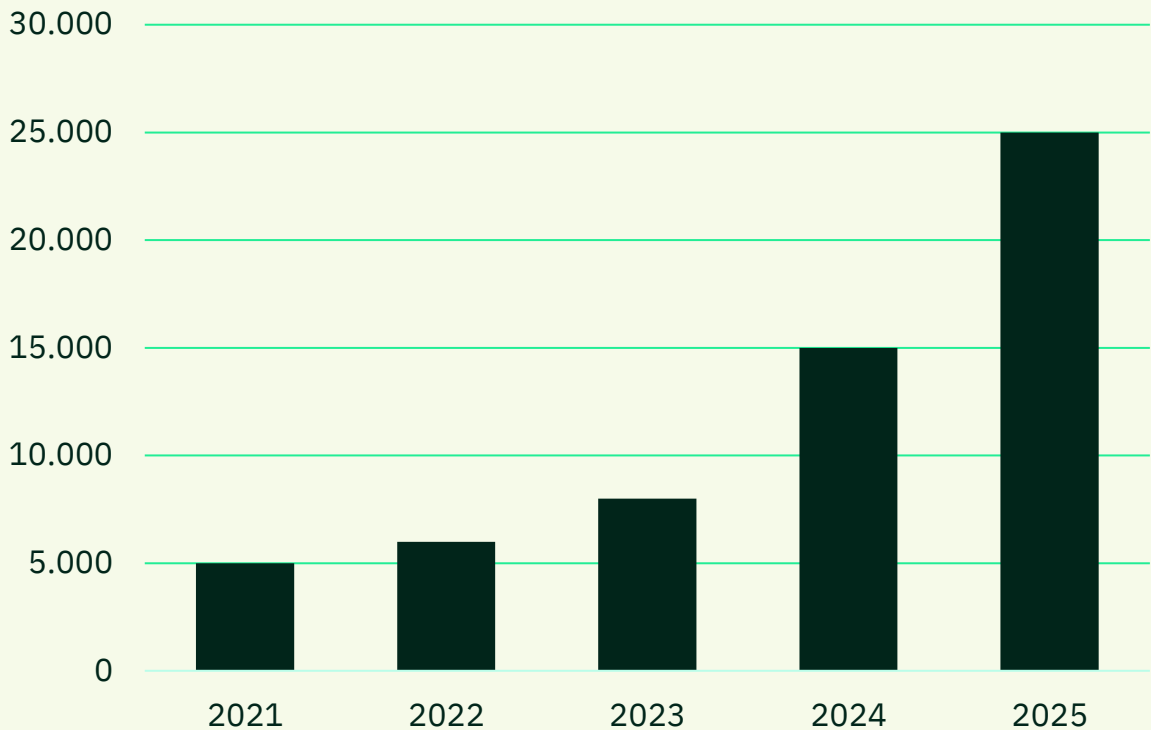


We plan to grow our ecosystem to 25.000 users by 2025

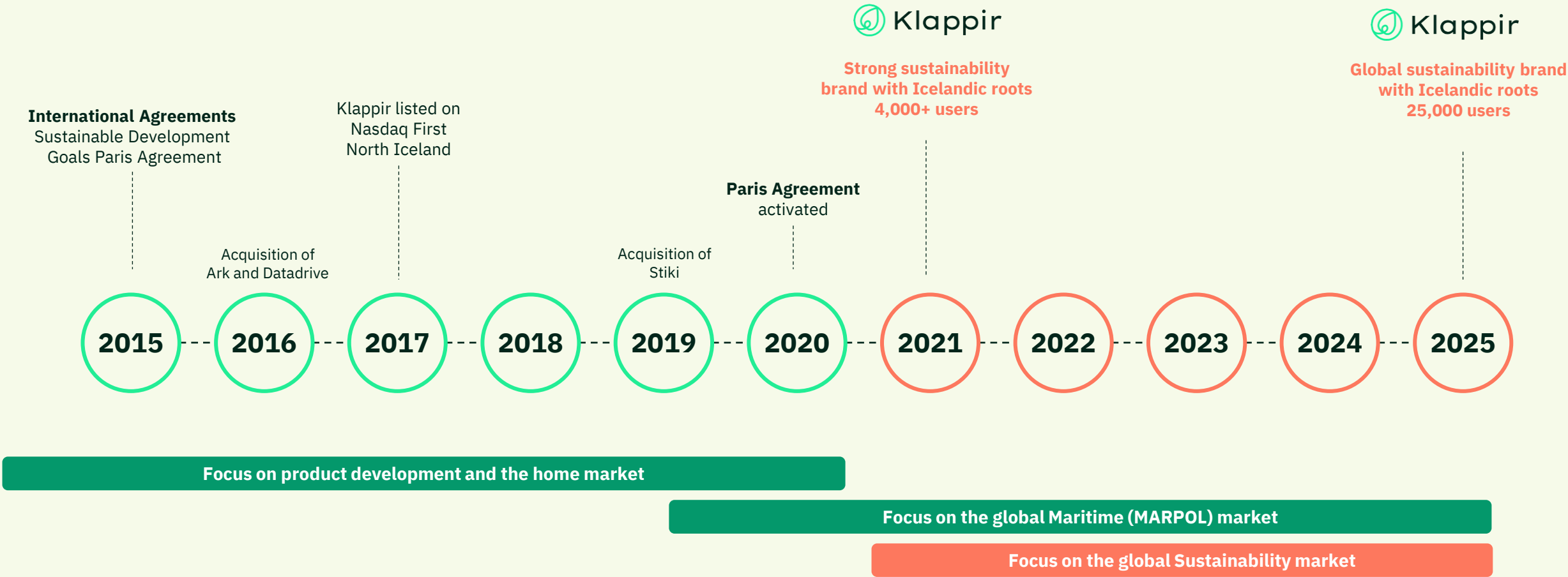
Our web based sales engine will speed up sales and customer implementation

Plan for growth of the ecosystem

Number of users



We'll build a great future on trusted results



With our solid foundation,
we are ready to
scale up our model!



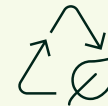
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Helping to solve the biggest collective challenge in History

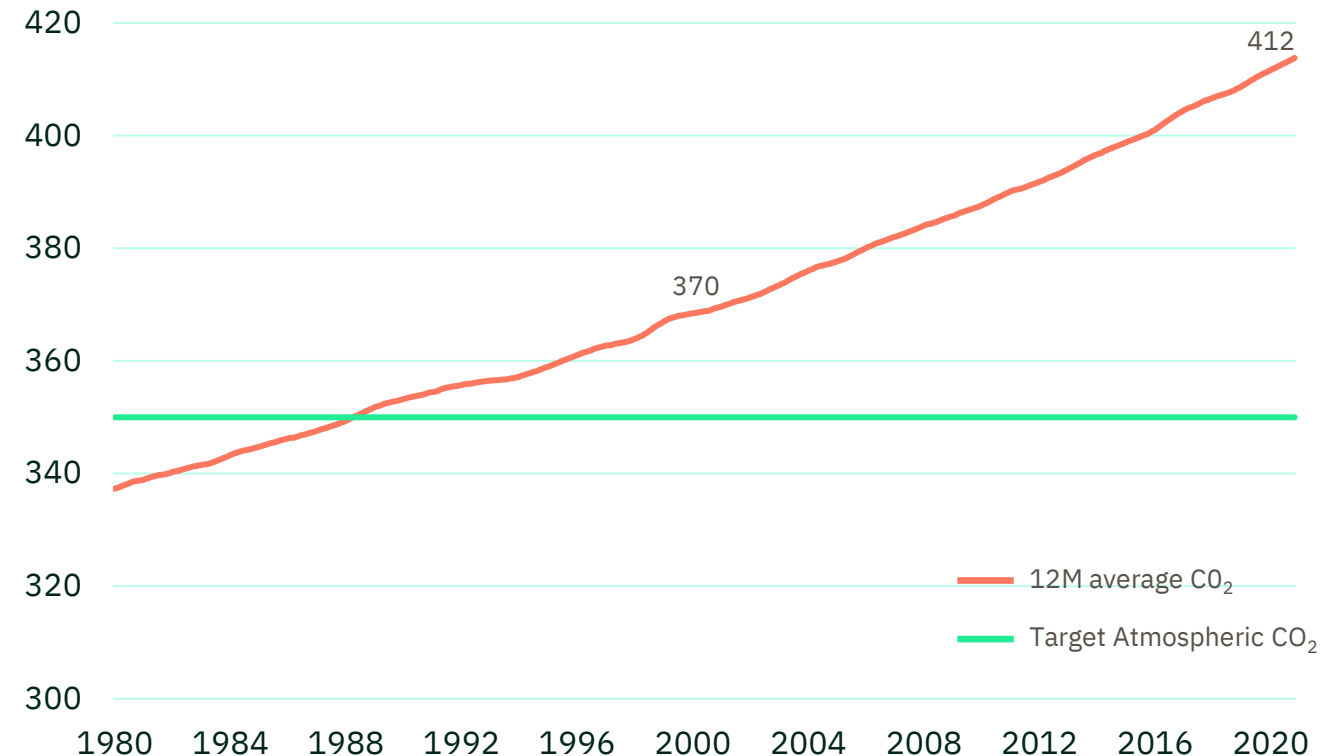
- Concentration level of 450 ppm is required to have at least a 50% chance of stabilizing the climate at 2 degrees (2°C) global average temperature increase
- 450 ppm is still achievable, but the costs are rising every day, to compensate for the increased emissions
- The further we delay action, the costlier it will be to stay within 2°C
- In the long-term, looking to 2050, the 450 ppm delayed action scenario requires costly mitigation efforts
- Worst predictions foresee a level of 700 ppm by the year 2100, making our planet effectively **uninhabitable**
- CO₂ reached its target level (350) in 1988 and has increased every year since 1988
- The concentration of carbon dioxide in the Earth's atmosphere is currently at nearly 412 parts per million (ppm) and rising
 - 47% increase since the beginning of the Industrial Age, when the concentration was near 280 ppm
 - 11% increase since 2000, when it was near 370 ppm

Source: NASA and United Nations

Carbon dioxide concentration 18% above target levels

Carbon Dioxide Concentration in the Atmosphere

CO₂ (parts per million)



Boosted by global agreements which foster a more sustainable future

- The European Union, plus Iceland and Norway, are leading the way with two main systems that covers all their emissions
- The EU ETS trading system is a cornerstone of the EU's policy to combat climate change and is its key tool for, cost-effectively, reducing greenhouse gas emissions. It is the world's first major carbon market and remains the biggest one
- The EU ESR (Effort Sharing Regulation) includes sectors such as transport, construction, agriculture, fishing and waste that have binding annual greenhouse gas emission targets for 2021-2030
- International Maritime Organization (IMO). The IMO DCS (Data Collection System) obliges ships over 5,000 tons to hold accurate emission accounting and providing regular emission settlements
- International Civil Aviation Organization (ICAO). The CORSIA (Carbon Offsetting and Reduction Scheme for International Aviation). From 2021, when international aviation CO2 emissions covered by the scheme exceed the average baseline emissions of 2019/2020, the difference represents the sector's offsetting requirements for that year



UN Sustainable Development Goals (2015)

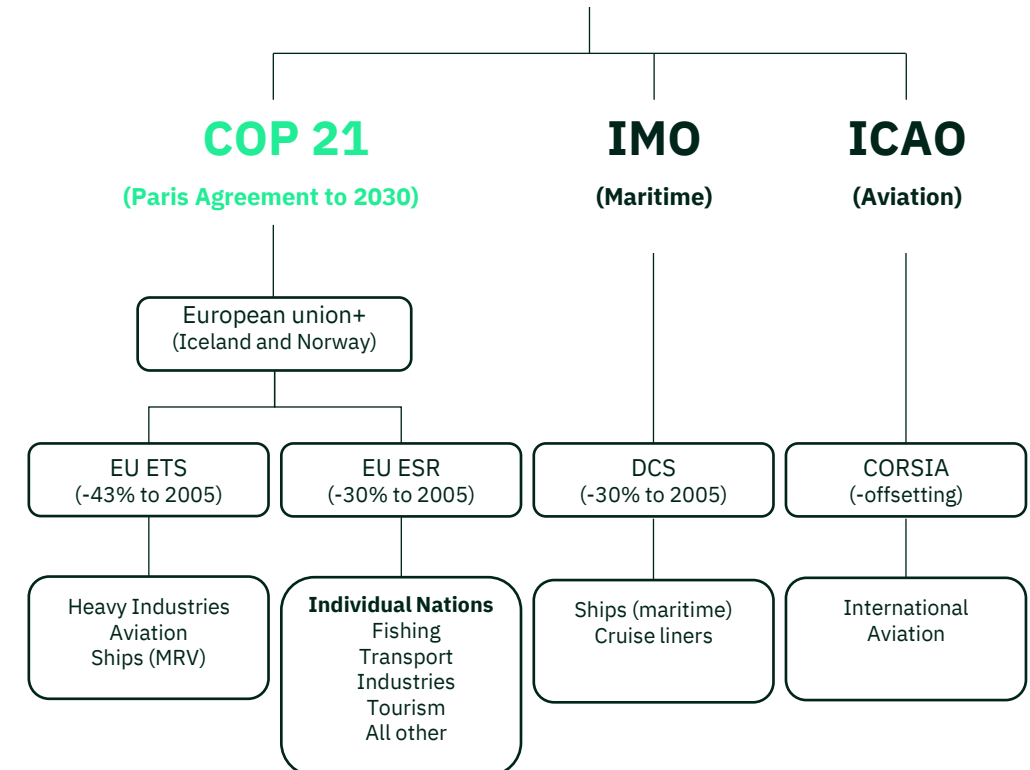
Blueprint to achieve a better and more sustainable future

The 17 Goals are all interconnected, and in order to leave no one behind



COP 21 - The Paris Agreement (2015)

Obligates countries to determine, plan, and regularly report on the steps undertaken to mitigate global warming

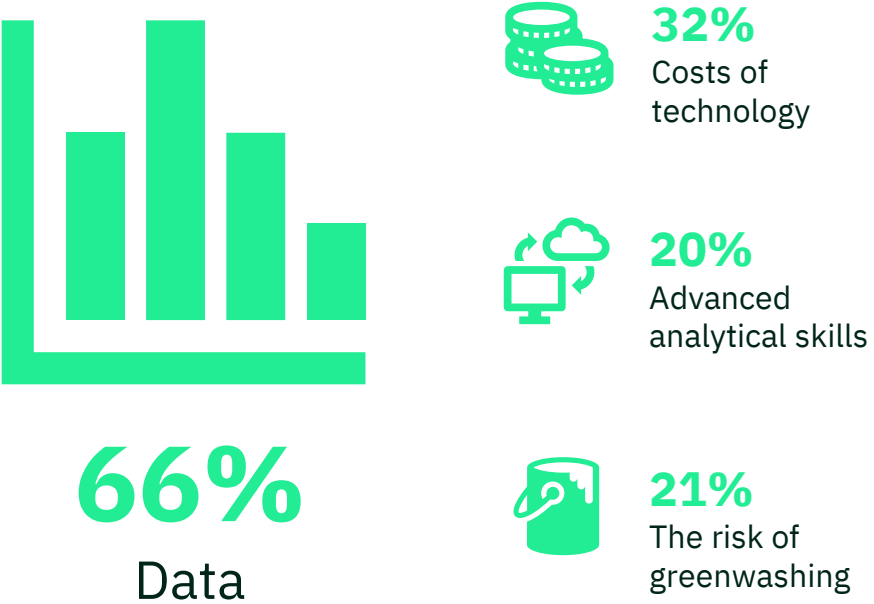


We bring clarity to a complex market limited by access to data

ONLY 1 IN 5
PERSON KNOWS
WHAT ESG
INVESTING
REALLY MEANS

Source: PNB Paribas - The ESG global survey 2019

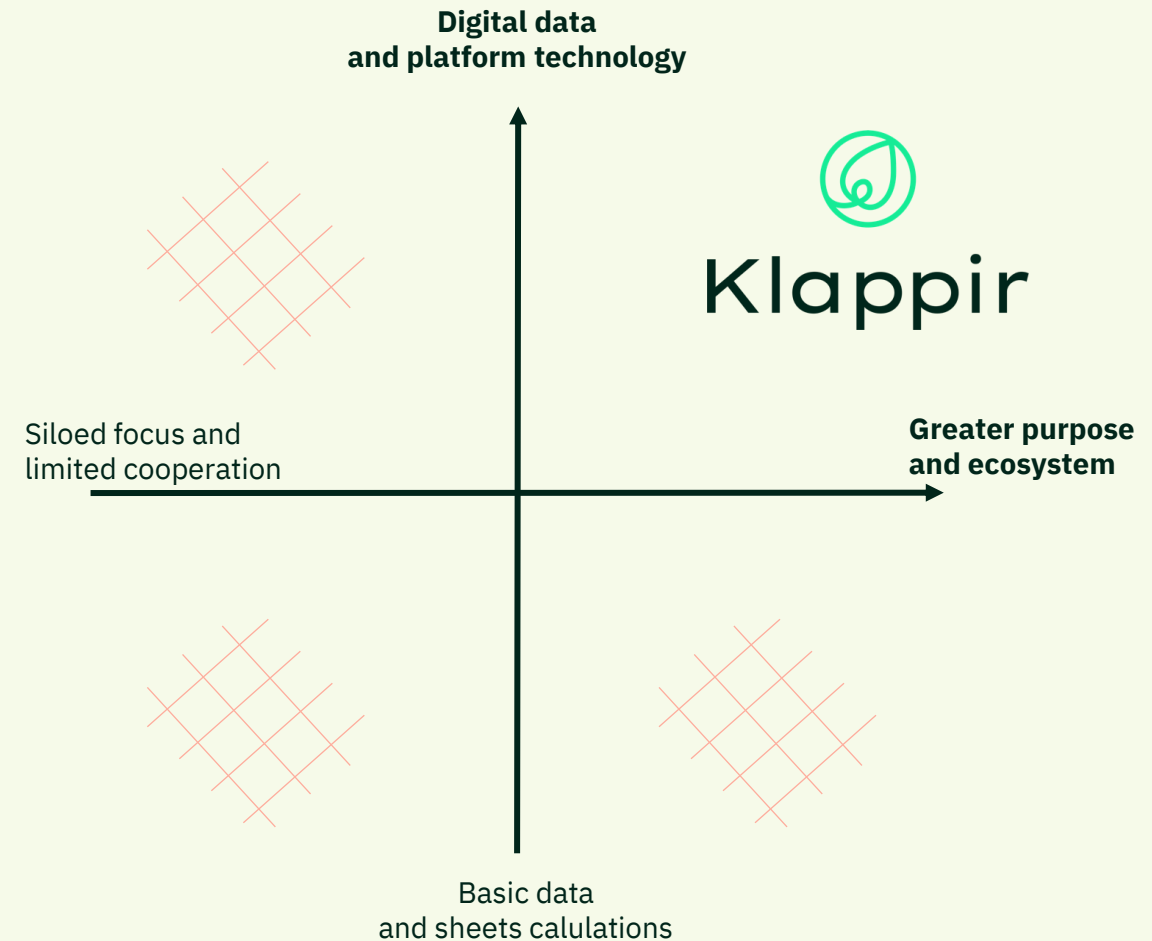
Top barriers to ESG integration



ESG (Environment, Social, Governance)

We move our clients toward digital data and greater purpose

- We inspire our customers to go beyond compliance and take their sustainability to next level and ultimately align to a greater purpose
- We inspire our customers to use trusted digital data, making it easier than ever to disclose transparent sustainability performance.





**There's only
one way forward!**



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We contribute substantially to Iceland's sustainability

Our impact

- Our growing platform helps Icelandic companies and municipalities to align with Iceland's Climate Agreement commitments
- We educate businesses, municipalities and government on how they can support a sustainable future through digital technology.
- We cooperate with local schools to enhance education and support for a sustainable future



ISK 2b

Invested by Klappir in digital technology and the platform in Iceland



4,000+

Connected users



20+

Jobs created in Iceland



- 21%

Emission reduction by our clients (tCO2e/revenue)



300%

Increase in tree planting with Kolvidur. From 2018 tree planting has increased from 7.322 to 22.545 tCO2e (10 tree/tCO2e)



90%+

Most of ships arriving Icelandic waters disclose their environmental information (MARPOL) to ports and to Iceland Environmental Agency - through Klappir ecosystem

We work on, and align to the Sustainability Development Goals (SDGs)



Our sustainability solutions evolves around the SDG 17. Our digital technology to create solid and sustainable ecosystems are built for “Partnerships for the Goals”. Through our Klappir ecosystem we connect users to align and to cooperate.

We are proud of connecting people, their businesses, municipalities and authorities into a single force, working together they build a greener future.



Our innovative digital platform, our services and our unique methodology - together helps organisations to minimise their load on the environment.

Our Digital Platform for Sustainability is used by over 4,000 users and is solid, transparent and designed for industrial purposes.

We have received product development grants from Technology Development Fund, NORA and Horizon 2020.



The SDG's includes 17 main goals, 169 targets and 231 unique indicators linked to the goals. Our goal is to increase our coverage of the indicators together with the Universities.

We are initiating cooperation with primary and secondary schools to train the students in understanding sustainability of their schools and homes.

We run our own courses on various sustainability topics. This has been successful and improves understanding of sustainability and how to use Klappir Solutions for improved performance.

We work on, and align to the Sustainability Development Goals (SDGs)



Our “SmarterShipping” extension to the Platform is solution for all ships to record environmental data on ships according to IMO MARPOL Annex I-VI. The extension “SmarterPorts” is extension to collect environmental data from ships arriving ports.



Our goal is to further extend our software to collect more accurate and transparent data on agriculture.

We work with *Kolviður and Skógræktin* to enlarge their customer network through our Platform, so they can sell tree-planting directly to our customers through our Platform.

We work with *Votlendissjóður* (wetland recovery fund) and are one of the founding members. They will be able to sell their services through our Platform.



We cooperate with the Environmental Agency of Iceland, the Icelandic transport authorities and the Coast Guard of Iceland. We share through Klappir ecosystem and by approval of ship owner, the processed information.

This increases the quality of information, coverage and transparency.

We add value to society, today and into future

Our impact

As a technology company with a relatively small environmental footprint, some of our most significant impact comes from our products and services.

We give our customers the critical ability to continuously follow and improve their sustainability performance in a cost-efficient way.

Together with our customers, we are building solid and reliable infrastructures for a more sustainable world.

Sustainability governance

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 according to regulations and law, concerning the operation of Klappir.

We provide investors, analysts and other stakeholders with timely and accurate information.

Klappir's rules of procedure for the board is published on our website.

Sustainability progress

Scope 1 and Scope 2 emissions

Our Scope 1 emissions include those coming from use of fossil fuel consumed by vehicles used while providing our services. We mostly use an EV service car to keep our Scope 1 emissions to a minimum. Our Scope 2 emissions come from the use of electricity and hot water for heating, which has not changed since our reference year 2015.

Scope 3 emissions

Our Scope 3 emissions include those from our supply chain and emissions related to our business trips and commuting.

In the year 2020 we moved our office to more central location in Reykjavík. In the new location we have possibility to continue our work on minimizing our load on the environment.

We will continue our effort in using web-based conference solutions for training of our customers and for sales and customer support in general.

Sustainability highlights

Year 2020		Unit	2016	2017	2018	2019	2020	2019-2020 Change
5,2 tCO₂e Total emissions	Scope 1	tCO ₂ e	0,5	0,3	0	0	0	0%
	Scope 2	-	4,1	3,9	3,9	3,9	3,4	(12,8%)
	Scope 3	-	0,03	0,02	2,06	8,76	1,77	(79,8%)
0,25 tCO₂e/FTE Full time employees	Total emissions (Scope 1,2 & 3)		4,6	4,2	5,96	12,66	5,17	(59,2%)
	- Annual change	%	-	(0,9%)	41%	112,4%	(59%)	
	<i>Emissions neutralized by carbon offset projects</i>		-	-	-	-	5,17	
	Net operational carbon emissions	tCO₂e	4,6	4,2	5,96	12,66	0	
	- Carbon intensity per FTEe	tCO ₂ e/FTE	0,38	0,2	0,3	0,64	0,25	
	- Carbon intensity per revenue	tCO ₂ e/b. ISK	37,3	20,0	24,6	40,6	16,1	
	Total amount of waste generated	kg	624	682	643	673	341	
	Total number of FTE	no	12	21	20	20	21	
	- Of which women	-	3	3	5	4	5	
	- Of which men	-	9	19	15	16	16	

-21%
Customers GHG
reduction/revenue

As a Klappir
shareholder you
help to build a
greener future

Klappir investors shape the way ... to a more sustainable future

- 
- As a shareholder, you are helping to make the world more sustainable. Your involvement and investment can be world-changing .. and rewarding
 - We pride ourselves on developing technology based on proven methodologies and science
 - We offer the sustainable digital platform and ecosystem for the future that is built on innovating technology and extensive development-rooted knowledge
 - Together we can continue to help companies, municipalities and governments to understand their operational potential in terms of sustainability
 - Klappir is constantly gaining ground in the global sustainability market which is growing exponentially
 - Klappir's vision is to become the "Go-To" sustainability platform
 - The financial success of our continued growth benefits our shareholders through the value of your shareholdings. It's a 'Win-Win'
 - Share in our success...and 'Do well by doing good'



Let's share the
way to sustainability...



01 INTRODUCING KLAPPIR



02 OUR STRATEGIC GOALS



03 OUR GREATER PURPOSE



04 SUSTAINABILITY



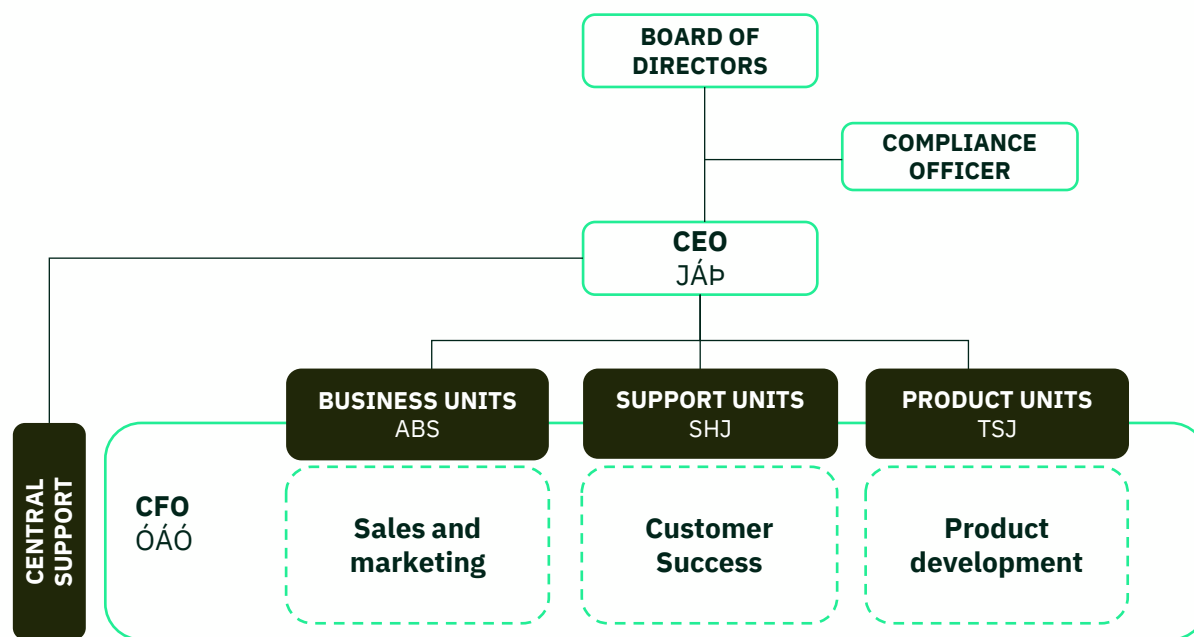
05 **CORPORATE GOVERNANCE**



06 CONSOLIDATED STATEMENTS

Organizational structure focused on core business

The Klappir team consists of sustainability specialists and software developers who combine a passionate vision for how to improve the world with a modern approach to sustainability and deep insights into the latest technology advances. The educational backgrounds (PhDs, MAs, BAs) include Software Development, Law (emphasis on Environmental Law), Business Administration, Engineering and Political Science.



Business Unit

Devises Klappir's marketing strategy, expands and cultivates the partner network, handles sales and legal issues, and produces various content (website, blog, instructions, etc.).

Support Unit

Provides advice to our customers, helps them implement solutions, and creates information and reports, in close collaboration with clients.

Product Unit

Develops and maintain our software solutions.

Central Support

Handles Klappir's finance, human resource, and sustainability accounting.

Board of Directors



**Linda Björk
Ólafsdóttir**
Chairman
CEO, Tennin



Jón Björnsson
Vice Chairman
CEO, Origo



**Hildur
Hauksdóttir**
Director
Sustainability Manager, SFS



Hildur Jónsdóttir
Director
CEO, Kvistar



Stefán Eyjólfsson
Director
VP, Northern Light

Our Management Team



**Jón Ágúst
Þorsteinsson**
CEO



**Anton B.
Sigfússon**
Chief Business
Development Officer



**Sigrún H.
Jónsdóttir**
Chief Customer
Officer



**Ólöf Ásta
Ólafsdóttir**
Chief Financial
Officer



**Þorsteinn
S. Jónsson**
Chief Product
Officer



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Financial results for the year

ISK [m] 2020

Key figures

Total number of users	4,005
Increase in number of users from 2019	72%
SaaS income change from 2019	8,7%
EBITDA	7,8%
Current ratio	6,4
Equity ratio	85,6%
Operating revenue	321,8
Operating expenses	296,6
EBITDA	25,1
Total assets	484
Equity	414

Cumulative user accounts grew from 2,328 in 2019 to 4,005 in 2020 (72%). Difference between growth in number of users and growth in SaaS income is explained by 2 main reasons:

- Use of Freemium solution (entrance package)
- The three months trial period

The SaaS revenue will always have delayed growth curve compared to number of users.

ISK [' 000] 2020 2019 2018

Operating revenue

Sales	232,795	214,115	166,268
Other operating income	89,047	97,865	76,117
	321,842	311,980	242,386

Operating expenses

Salaries, related expenses and other employee expenses	204,350	211,870	115,6
Other operating expenses	92,314	140,020	93,373
	296,664	351,890	208,635

Operating profit before depreciation financial income and financial expenses and tax (EBITDA)

	25,177	(39,910)	33,751
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Depreciation and amortization

	(58,616)	(76,449)	(32,153)
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Operating loss before financial income and expenses

	(33,438)	(116,359)	1,597
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Financial income and (financial expenses)

Interest income	245	1,322	753
Interest expense	(3,893)	(7,706)	(5,538)
Net currency exchange rate fluctuations	(337)	103	(167)
	(3,986)	(6,280)	(4,953)

Share in return of subsidiary

	(170)	(27,023)	(5,070)
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Loss for the year

	(37,595)	(149,663)	(8,426)
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Balance sheet

ISK ['000]	31.12.2020	31.12.2019	31.12.2018
Assets			
Goodwill and software	236,614	274,083	213,422
Operating assets	2,490	3,650	2,342
Deferred tax asset	21,320	21,320	0
Total Fixed Assets	260,424	299,053	215,765
Accounts receivables	40,171	59,227	65,970
Other receivables	103,255	69,968	49,172
Cash and cash equivalents	80,683	62,326	4,375
Total Current Assets	224,110	191,522	127,168
Total Assets	484,535	490,576	342,933

ISK ['000]	31.12.2020	31.12.2019	31.12.2018
Equity			
Share capital	140,153	134,026	116,500
Share premium	494,199	405,450	228,567
Restricted equity	77,144	101,921	55,673
Retained earnings	(296,717)	(283,899)	(149,722)
Total equity	414,779	357,498	251,017
Liabilities			
Loans and borrowings from related party	35,000	65,000	65,000
Non-current liabilities	35,000	65,000	65,000
Trade payables	5,183	27,517	4,929
Payables to related party	0	1,859	0
Other payables	29,572	38,700	21,987
Current liabilities	34,756	68,077	26,916
Total liabilities	69,756	133,077	91,916
Total equity and liabilities	484,535	490,576	342,933



Klappir

The smart way to sustainability

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