



Johs. Gram-Hanssen A/S

Robert Jacobsens Vej 76, st.
2300 Copenhagen East
CVR No. 15132981

Annual report 2021

The Annual General Meeting adopted the
annual report on 24.05.2022

Thomas Langbo Algreen Nielsen
Chairman of the General Meeting

Contents

Entity details	2
Statement by Management	3
Independent auditor's report	4
Management commentary	7
Income statement for 2021	8
Balance sheet at 31.12.2021	9
Statement of changes in equity for 2021	11
Notes	12
Accounting policies	16

Entity details

Entity

Johs. Gram-Hanssen A/S
Robert Jacobsens Vej 76, st.
2300 Copenhagen East

Business Registration No.: 15132981
Registered office: Copenhagen
Financial year: 01.01.2021 - 31.12.2021

Board of Directors

Morten Pitzner, chairman
Flemming Horn Nielsen
Erik Schou Stavnstrup
Jørgen Janus Roijer Hillerup
Torben Golsche Knappe

Executive Board

Thomas Langbo Algreen Nielsen, director

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
2300 Copenhagen S

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Johs. Gram-Hanssen A/S for the financial year 01.01.2021 - 31.12.2021.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2021 and of the results of its operations for the financial year 01.01.2021 - 31.12.2021.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, 20.04.2022

Executive Board

Thomas Langbo Algreen Nielsen
director

Board of Directors

Morten Pitzner
chairman

Flemming Horn Nielsen

Erik Schou Stavnstrup

Jørgen Janus Roijer Hillerup

Torben Golsche Knappe

Independent auditor's report

To the shareholders of Johs. Gram-Hanssen A/S

Opinion

We have audited the financial statements of Johs. Gram-Hanssen A/S for the financial year 01.01.2021 - 31.12.2021, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2021 and of the results of its operations for the financial year 01.01.2021 - 31.12.2021 accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Copenhagen, 20.04.2022

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Henrik Jacob Vilmann Wellejus

State Authorised Public Accountant
Identification No (MNE) mne24807

Hans Tauby

State Authorised Public Accountant
Identification No (MNE) mne44339

Management commentary

Primary activities

The Company's main activity consists of international trade, shipbuilding and construction of solar parks.

The Company's loss of the year is 20,157 thousand DKK against a profit of 395 thousand DKK last year.

The result is considered unsatisfactory taking the ongoing outbreak of coronavirus/COVID-19 into consideration. The result is affected negatively by the merger between Johs. Gram-Hanssen A/S and JGH Marine A/S.

Management expects the Company to show positive development in profit before tax for 2022 based on continued focus on profitable business, and benefits captured from previously implemented initiatives. The profit before tax is expect to be in the range of DKK 0M - 1M.

Uncertainty relating to recognition and measurement

Due to its operations, the Company is exposed to changes in exchange rates in the currencies USD and KES.

Events after the balance sheet date

The war in Ukraine which started at the end of February 2022 have initially a significant impact on availability of supplies and the price of supplies. The war has resulted in a series of precautions, that affects the daily operations, both for the Company, suppliers, customers and other business partners. The economic effect cannot be measured at this time.

No other events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Income statement for 2021

	Notes	2021 DKK	2020 DKK
Revenue		97,631,962	112,524,151
Other operating income		0	312,202
Cost of sales		(88,959,149)	(95,311,164)
Other external expenses		(13,076,566)	(3,925,524)
Gross profit/loss		(4,403,753)	13,599,665
Staff costs	1	(18,633,489)	(11,733,747)
Depreciation, amortisation and impairment losses	2	(442,093)	(189,748)
Operating profit/loss		(23,479,335)	1,676,170
Income from investments in group enterprises		(33,665)	0
Other financial income	3	1,719,875	1,337,004
Other financial expenses	4	(3,885,925)	(2,506,687)
Profit/loss before tax		(25,679,050)	506,487
Tax on profit/loss for the year	5	5,521,617	(111,690)
Profit/loss for the year		(20,157,433)	394,797
Proposed distribution of profit and loss:			
Retained earnings		(20,157,433)	394,797
Proposed distribution of profit and loss		(20,157,433)	394,797

Balance sheet at 31.12.2021

Assets

	Notes	2021 DKK	2020 DKK
Acquired intangible assets		1,334,091	1,073,882
Intangible assets	6	1,334,091	1,073,882
Other fixtures and fittings, tools and equipment		238,128	134,106
Property, plant and equipment	7	238,128	134,106
Investments in group enterprises		0	0
Investments in associates		0	16,787
Financial assets	8	0	16,787
Fixed assets		1,572,219	1,224,775
Prepayments for goods		9,750,508	7,329,157
Inventories		9,750,508	7,329,157
Trade receivables		17,526,152	16,261,396
Contract work in progress		21,147,573	41,163,390
Receivables from group enterprises		8,993,271	23,427,558
Other receivables		853,897	905,562
Joint taxation contribution receivable		5,623,784	86,310
Prepayments		335,800	989,722
Receivables		54,480,477	82,833,938
Cash		168,028	107,942
Current assets		64,399,013	90,271,037
Assets		65,971,232	91,495,812

Equity and liabilities

	Notes	2021 DKK	2020 DKK
Contributed capital		500,000	500,000
Retained earnings		5,438,574	15,717,209
Equity		5,938,574	16,217,209
Deferred tax		276,000	230,000
Provisions		276,000	230,000
Other payables		0	755,925
Non-current liabilities other than provisions		0	755,925
Bank loans		34,814,985	22,244,247
Prepayments received from customers		5,889,140	1,444,112
Trade payables		11,950,820	7,114,100
Payables to group enterprises		4,615,933	41,720,496
Other payables		2,485,780	1,769,723
Current liabilities other than provisions		59,756,658	74,292,678
Liabilities other than provisions		59,756,658	75,048,603
Equity and liabilities		65,971,232	91,495,812
Unrecognised rental and lease commitments	9		
Contingent liabilities	10		

Statement of changes in equity for 2021

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	500,000	15,717,209	16,217,209
Effect of mergers and business combinations	0	9,878,798	9,878,798
Profit/loss for the year	0	(20,157,433)	(20,157,433)
Equity end of year	500,000	5,438,574	5,938,574

Notes

1 Staff costs

	2021	2020
	DKK	DKK
Wages and salaries	16,776,152	10,700,960
Pension costs	878,372	409,482
Other staff costs	978,965	623,305
	18,633,489	11,733,747
Average number of full-time employees	25	13

2 Depreciation, amortisation and impairment losses

	2021	2020
	DKK	DKK
Amortisation of intangible assets	314,446	126,618
Depreciation of property, plant and equipment	127,647	63,130
	442,093	189,748

3 Other financial income

	2021	2020
	DKK	DKK
Financial income from group enterprises	0	561,900
Other interest income	48,707	50,492
Exchange rate adjustments	1,671,168	724,612
	1,719,875	1,337,004

4 Other financial expenses

	2021	2020
	DKK	DKK
Financial expenses from group enterprises	312,334	453,653
Other interest expenses	2,111,514	1,855,962
Other financial expenses	1,462,077	197,072
	3,885,925	2,506,687

5 Tax on profit/loss for the year

	2021	2020
	DKK	DKK
Change in deferred tax	46,000	198,000
Adjustment concerning previous years	56,167	0
Refund in joint taxation arrangement	(5,623,784)	(86,310)
	(5,521,617)	111,690

6 Intangible assets

	Acquired intangible assets DKK
Cost beginning of year	1,210,526
Addition through business combinations etc	331,362
Additions	308,794
Cost end of year	1,850,682
Amortisation and impairment losses beginning of year	(136,644)
Addition through business combinations etc	(65,501)
Amortisation for the year	(314,446)
Amortisation and impairment losses end of year	(516,591)
Carrying amount end of year	1,334,091

7 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK
Cost beginning of year	222,624
Addition through business combinations etc	54,678
Additions	200,995
Cost end of year	478,297
Depreciation and impairment losses beginning of year	(88,518)
Addition through business combinations etc	(24,004)
Depreciation for the year	(127,647)
Depreciation and impairment losses end of year	(240,169)
Carrying amount end of year	238,128

8 Financial assets

	Investments in group enterprises DKK	Investments in associates DKK
Cost beginning of year	0	16,787
Addition through business combinations etc	0	16,788
Transfers	33,575	(33,575)
Cost end of year	33,575	0
Impairment losses for the year	(33,575)	0
Impairment losses end of year	(33,575)	0
Carrying amount end of year	0	0

Investments in subsidiaries	Registered in	Corporate form	Equity interest %
JGH Marine East Africa Limited	Nairobi, Kenya	Limited	100

9 Unrecognised rental and lease commitments

	2021	2020
	DKK	DKK
Liabilities under rental or lease agreements until maturity in total	2,134,754	712,141

10 Contingent liabilities

The Group has a total framework for bank guarantees and letter of credit of DKK 31,364 thousand.

The Entity participates in a Danish joint taxation arrangement where Pitzner Gruppen Holding A/S serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of a few provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year.

Consolidated financial statements

Referring to section 112(1) of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

Non-comparability

Due to merger between Johs. Gram-Hanssen A/S and JGH Marine A/S, the comparative figures are non-comparable. Refer to the section "Business combinations" below.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Business combinations

The modified uniting-of-interests method is applied to vertical mergers in which the participating entities are subject to the Parent's control. Under this method, assets and liabilities of the participating entities are recognised at the amounts at which they are recognised in the consolidated financial statements of the parent forming part of the merger. Vertical mergers are recognised at the merger date without restatement of comparative figures.

Income statement

Revenue

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Contract work in progress is included in revenue based on the stage of completion so that revenue corresponds to the selling price of the work performed in the financial year (the percentage-of-completion method).

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities.

Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for ordinary inventory writedowns.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Staff costs

Staff costs comprise salaries and wages, and social security contributions, pension contributions, etc for entity staff.

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, and gains and losses from the sale of intangible assets and property, plant and equipment.

Income from investments in group enterprises

Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of intra-group profits or losses.

Other financial income

Other financial income comprises dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets, and tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities, and tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Entity is jointly taxed with all Danish group enterprises. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet

Intangible assets

Intangible assets comprise development projects completed.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised on a straight-line basis over their remaining duration, and licences are amortised over the term of the agreement.

Intellectual property rights etc are written down to the lower of recoverable amount and carrying amount.

Property, plant and equipment

Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Other fixtures and fittings, tools and equipment	3-5 years
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Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Investments in group enterprises

Investments in group enterprises are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value plus unamortised goodwill and plus or minus unrealised intra-group profits or losses.

Group enterprises with negative equity value are measured at DKK 0. Any receivables from these enterprises are written down to net realisable value based on a specific assessment. If the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise, and it is probable that such obligation will involve a loss, a provision is recognised that is measured at present value of the costs necessary to settle the obligations at the balance sheet date.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to the reserve for net revaluation according to the equity method in equity.

Investments in associates

Investments in associates are measured at cost. Investments are written down to the lower of recoverable amount and carrying amount.

Inventories

Inventories are measured at the lower of cost using the FIFO method and net realisable value.

Cost consists of purchase price plus delivery costs.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Contract work in progress

Contract work in progress is measured at the selling price of the work carried out at the balance sheet date.

The selling price is measured based on the stage of completion and the total estimated income from the individual contracts in progress. Usually, the stage of completion is determined as the ratio of actual to total budgeted consumption of resources.

If the selling price of a project in progress cannot be made up reliably, it is measured at the lower of costs incurred and net realisable value.

Each contract in progress is recognised in the balance sheet under receivables or liabilities other than provisions, depending on whether the net value, calculated as the selling price less prepayments received, is positive or negative.

Costs of sales work and of securing contracts, and finance costs are recognised in the income statement as incurred.

Joint taxation contributions receivable or payable

Current joint taxation contributions payable or joint taxation contributions receivable are recognised in the balance sheet, calculated as tax computed on the taxable income for the year, which has been adjusted for prepaid tax. For tax losses, joint taxation contributions receivable are only recognised if such losses are expected to be used under the joint taxation arrangement.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises cash in hand and bank deposits.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset.

However, no deferred tax is recognised for amortisation of goodwill disallowed for tax purposes and temporary differences arising at the date of acquisition that do not result from a business combination and that do not have any effect on profit or loss or on taxable income.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Deferred tax relating to retaxation of previously deducted losses in foreign subsidiaries is recognised on the basis of an actual assessment of the purpose of each subsidiary.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Prepayments received from customers

Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.