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GERMAN PELLETS DENMARK APS SDR. TVÆRKAJ 3, HOLMGÅRD, 7100 VEJLE ANNUAL REPORT 1 JANUARY - 31 DECEMBER 2022

The Annual Report has been presented and adopted at the Company's Annual General Meeting on 14 June 2023

Philipp Hübler



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COMPANY DETAILS

Company German Pellets Denmark ApS

Sdr. Tværkaj 3 Holmgård 7100 Vejle

CVR No.: 33 26 76 22
Established: 17 November 2010
Municipality: Mariagerfjord

Financial Year: 1 January - 31 December

Board of Directors Philipp Hübler, chairman

Michael Hessing Steffen Hildebrandt

Executive Board Philipp Hübler

Auditor BDO Statsautoriseret revisionsaktieselskab

Kystvejen 29 8000 Aarhus C

Bank Sydbank A/S

Storegade 18 6200 Aabenraa



Chairman

MANAGEMENT'S STATEMENT

Today the Board of Directors and Executive Board have discussed and approved the Annual Report of German Pellets Denmark ApS for the financial year 1 January - 31 December 2022.

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 Company's assets, liabilities and financial position at 31 December 2022 and of the results of the Company's operations for the financial year 1 January - 31 December 2022.

The Management Commentary includes in our opinion a fair presentation of the matters dealt with in the Commentary.

We recommend the Annual Report be approved at the Annual General Meeting.

Vejle, 13 June 2023

Executive Board

Philipp Hübler

Board of Directors

Philipp Hübler

Michael Hessing

Steffen Hildebrandt



THE INDEPENDENT AUDITOR'S REPORT

To the Shareholder of German Pellets Denmark ApS

Conclusion

We have performed an extended review of the Financial Statements of German Pellets Denmark ApS for the financial year 1 January - 31 December 2022, which comprise income statement, Balance Sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The Financial Statements are prepared under the Danish Financial Statements Act.

Based on the work performed in our opinion, the Financial Statements give a true and fair view of the Company's financial position at 31 December 2022 and of the results of the Company's operations for the financial year 1 January - 31 December 2022 in accordance with the Danish Financial Statements Act.

Basis for Conclusion

We conducted our extended review in accordance with the Danish Business Authority's Assurance Standard for Small Enterprises and FSR - Danish Auditors' standard on extended review of Financial Statements prepared in accordance with the Danish Financial Statements Act. Our responsibilities under those standards and requirements are further described in the "Auditor's Responsibilities for the Extended Review of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the Financial Statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Extended Review of the Financial Statements

Our responsibility is to express a conclusion on the Financial Statements. This requires that we plan and perform procedures in order to obtain limited assurance for our conclusion on the Financial Statements and in addition perform specifically required supplementary procedures to obtain further assurance for our conclusion.

An extended review comprises procedures that primarily consist of making inquiries of Management and others within the Company, as appropriate, analytical procedures and the specifically required supplementary procedures as well as evaluation of the evidence obtained.

The procedures performed in an extended review are less than those performed in an audit, and accordingly, we do not express an audit opinion on the Financial Statements.

Statement on the Management Commentary

Management is responsible for the Management Commentary.

Our conclusion on the Financial Statements does not cover the Management Commentary, and we do not express any form of assurance conclusion thereon.



THE INDEPENDENT AUDITOR'S REPORT

In connection with our extended review 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 during the extended review, 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 in the Management Commentary.

Aarhus, 13 June 2023

BDO Statsautoriseret revisionsaktieselskab CVR no. 20 22 26 70

Thomas Nørgaard Christensen State Authorised Public Accountant MNE no. mne40048



MANAGEMENT COMMENTARY

Principal activities

The principal activities comprise sale of wood pellets and related business.

Development in activities and financial and economic position

The company has realized a profit before tax on 687 tkr. The management considers the result to be satisfactory.

The Company has lost its share capital. It is a requirement by the Companies Act to ensure the Share capital is fully established. The company expects the share capital to be re-established within a couple of years through its ordinary operations

The parent company has issued a letter of Comfort stating that they will secure the operations of the Company with the nessesary contributions, whereby the liquidity for the coming financial year is ensured and the annual report can be presented in accordance with going concern.

Significant events after the end of the financial year

No events have occurred after the end of the financial year of material importance for the company's financial position.



INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	2022 DKK	2021 DKK
GROSS PROFIT		747.418	-22.562
Staff costs Depreciation, amortisation and impairment	1	-1.240 -5.732	-329.582 -9.732
OPERATING PROFIT		740.446	-361.876
Other financial income Other financial expenses		9.263 -62.745	8.687 -42.182
PROFIT BEFORE TAX		686.964	-395.371
Tax on profit/loss for the year		0	0
PROFIT FOR THE YEAR		686.964	-395.371
PROPOSED DISTRIBUTION OF PROFIT			
Retained earnings		686.964	-395.371
TOTAL		686.964	-395.371



BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	2022 DKK	2021 DKK
Other plant, machinery, tools and equipment Property, plant and equipment	2	933 933	58.665 58.665
NON-CURRENT ASSETS		933	58.665
Finished goods and goods for resale		13.132.537 13.132.537	909.634 909.634
Trade receivables Other receivables Prepayments and accrued income Receivables.		813.746 150.749 1.622 966.117	1.652.613 182.709 7.898 1.843.220
Cash and cash equivalents		679.351	3.346.766
CURRENT ASSETS		14.778.005	6.099.620
ASSETS		14.778.938	6.158.285
EQUITY AND LIABILITIES			
Share capitalRetained profit		80.000 -246.753	80.000 -933.716
EQUITY		-166.753	-853.716
Trade payables		736.557 13.665.459 543.675 14.945.691	462.589 1.115.035 5.434.377 7.012.00 1
LIABILITIES		14.945.691	7.012.001
EQUITY AND LIABILITIES		14.778.938	6.158.285
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EQUITY

	Retained			
	Share capital	profit	Total	
Equity at 1 January 2022	80.000	-933.717	-853.717	
Proposed profit allocation		686.964	686.964	
Equity at 31 December 2022	80.000	-246.753	-166.753	

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NOTES

	2022 DKK	2021 DKK	Note
Staff costs Average number of employees	1	1	1
Wages and salaries	0 1.240	324.698 4.884	
	1.240	329.582	
Property, plant and equipment		Other plant, machinery, tools and equipment	2
Cost at 1 January 2022		74.928 -60.000 14.928	
Reversal of depreciation of assets disposed of Depreciation for the year Depreciation and impairment losses at 31 December 2022	• • • • • • • • • • • • • • • • • • • •	-8.000 5.732 13.995	
Carrying amount at 31 December 2022	•••••	933	

The company has tax losses for offsetting in future income. The tax value of the deferred tax asset constitutes 398 tkr. is not recognized in the financial statement.

Condition for continued operation

Contingencies etc.

The parent company has issued a letter of Comfort stating that they will secure the operations of the Company with the nessesary contributions, whereby the liquidity for the coming financial year is ensured and the annual report can be presented in accordance with going concern.

Consolidated Financial Statements

The company is included in the consolidated financial statements for Wismar Pellets GmbH, Am Torney 2a, 23970 Wismar, Germany.



ACCOUNTING POLICIES

The Annual Report of German Pellets Denmark ApS for 2022 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class B and certain provisions applying to reporting class C.

The Annual Report is prepared consistently with the accounting principles used last year.

INCOME STATEMENT

Net revenue

Net revenue from sale of merchandise and finished goods is recognised in the Income Statement if supply and risk transfer to purchaser has taken place before the end of the year and if the income can be measured reliably and is expected to be received. Net revenue is recognised exclusive of VAT, duties and less discounts related to the sale.

Net revenue is recognised exclusive of VAT and less duties and discounts related to the sale.

Other operating income

Other operating income includes items of a secondary nature in relation to the Group's and the Company's activities, including profit from sale of intangible and tangible fixed assets. In addition, profit from sale of intangible and tangible fixed assets as well as business interruption and conflict compensations are included. Compensations are recognised when the income is deemed to be realisable.

Cost of sales

Cost of sales comprise costs incurred to achieve the net revenue for the year, including direct and indirect costs of raw materials and consumables.

Other external expenses

Other external expenses include cost of sales, advertising, administration, buildings, bad debts, operational lease expenses, etc.

Staff costs

Staff costs comprise wages and salaries, including holiday pay and pensions and other costs for social security etc. for the company's employees. Repayments from public authorities are deducted from staff costs.

Financial income and expenses

Financial income and expenses include interest income and expenses, financial expenses of finance leases, realised and unrealised gains and losses arising from investments in financial assets, debt and transactions in foreign currencies, amortisation of financial assets and liabilities as well as charges and allowances under the tax-on-account scheme etc. Financial income and expenses are recognised in the income statement by the amounts that relate to the financial year.

Tax

The tax for the year, which consists of the current tax for the year and changes in deferred tax, is recognised in the income statement by the portion that may be attributed to the profit for the year, and is recognised directly in the equity by the portion that may be attributed to entries directly to the equity.

BALANCE SHEET

Tangible fixed assets

Land and buildings, production plant and machinery, other plants, fixtures and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

The depreciation base is cost less estimated residual value after end of useful life.



ACCOUNTING POLICIES

The cost includes the acquisition price and costs incurred directly in connection with the acquisition until the time when the asset is ready to be used. As regards self-manufactured assets, the cost price includes cost of materials, components, subcontractors, direct payroll and indirect production costs.

Straight-line depreciation is provided on the basis of an assessment of the expected useful lives of the assets and their residual value:

	Useful life	Residual value
Other plant, fixtures and equipment	5 years	0 %

Profit or loss on disposal of tangible fixed assets is stated as the difference between the sales price less selling costs and the carrying amount at the time of sale. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

Impairment of fixed assets

The carrying amount of tangible assets are valued on an annual basis for indications of impairment other than that reflected by amortisation and depreciation.

In the event of impairment indications, an impairment test is made for each asset or group of assets, respectively. If the net realisable value is lower than the carrying amount, the assets are written down to the lower value.

The recoverable amount is calculated at the higher of net selling price and capital value. The capital value is determined as the fair value of the expected net cash flows from the use of the asset or group of assets and the expected net cash flows from sale of the asset or group of assets after the end of its useful life.

Inventories

Inventories are measured at cost using the FIFO-principle. If the net realisable value is lower than cost, the inventories are written down to the lower value.

The net realisable value of inventories is stated at sales price less completion costs and costs incurred to execute the sale and is determined with due regard to marketability, obsolescence and development in expected sales price.

Receivables

Receivables are measured at amortised cost which usually corresponds to nominal value. The value is reduced by impairment losses to meet expected losses.

Accruals, assets

Accruals recognised as assets include costs incurred relating to the subsequent financial year.



ACCOUNTING POLICIES

Tax payable and deferred tax

Current tax liabilities and receivable current tax are recognised in the balance sheet as the calculated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and taxes paid on account.

Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carry-forwards, are measured at the expected realisable value of the asset, either by set-off against tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that under the legislation in force on the balance sheet date would be applicable when the deferred tax is expected to crystallise as current tax. Any changes in the deferred tax resulting from changes in tax rates, are recognised in the income statement, except from items recognised directly in equity.

Liabilities

Amortised cost of current liabilities usually corresponds to nominal value.

Foreign currency translation

Transactions in foreign currencies are translated at the rate of exchange on the transaction date. Exchange differences arising between the rate on the transaction date and the rate on the payment date are recognised in the income statement as a financial income or expense.

Receivables, payables and other monetary items in foreign currencies that are not settled on the balance sheet date are translated at the exchange rate on the balance sheet date. The difference between the exchange rate on the balance sheet date and the exchange rate at the time of occurrence of the receivables or payables is recognised in the income statement as financial income or expenses.

Fixed assets acquired in foreign currencies are translated at the rate of exchange on the transaction date.