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# *GreenGo Energy A/S*

Frydenlundsvej 30, DK-2950 Vedbæk

## Annual Report for 2023

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CVR No. 34 88 46 41

The Annual Report was  
presented and adopted  
at the Annual General  
Meeting of the  
company  
on 27/5 2024

Karsten Nielsen  
Chairman of the  
general meeting



# Contents

	<u>Page</u>
<b>Management's Statement and Auditor's Report</b>	
Management's Statement	1
Independent Auditor's Report	2
<b>Management's Review</b>	
Company information	4
Financial Highlights	5
Management's Review	6
<b>Financial Statements</b>	
Income Statement 1 January - 31 December	8
Balance sheet 31 December	9
Statement of changes in equity	11
Notes to the Financial Statements	12

# Management's statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of GreenGo Energy A/S for the financial year 1 January - 31 December 2023.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2023 of the Company and of the results of the Company operations for 2023.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Vedbæk, 6 March 2024

## Executive Board

Karsten Nielsen  
CEO

## Board of Directors

Jan Henrik Christiansen  
Chairman

Morten Skovfoged Tinggaard  
Vice chairman

Annemette Færch

Pernille Fabricius

# Independent Auditor's report

To the shareholder of GreenGo Energy A/S

## Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2023 and of the results of the Company's operations for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of GreenGo Energy A/S for the financial year 1 January - 31 December 2023, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the Financial Statements").

## Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the 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 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 (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.

## Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, 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 Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, in our view, Management's Review 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 Management's Review.

## 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.

# Independent Auditor's report

## 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 Company'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 Company'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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, 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.

Hellerup, 6 March 2024

**PricewaterhouseCoopers**

Statsautoriseret Revisionspartnerselskab

*CVR No 33 77 12 31*

Niels Henrik B. Mikkelsen

State Authorised Public Accountant

mne16675

Martin Birch

State Authorised Public Accountant

mne42825

## Company information

<b>The Company</b>	GreenGo Energy A/S Frydenlundsvej 30 2950 Vedbæk  Telephone: 4577348532 Website: Greengoenergy.dk  CVR No: 34 88 46 41 Financial period: 1 January - 31 December Incorporated: 12 December 2012 Financial year: 11th financial year Municipality of reg. office: Rudersdal
<b>Board of Directors</b>	Jan Henrik Christiansen, chairman Morten Skovfoged Tinggaard, vice chairman Annemette Færch Pernille Fabricius
<b>Executive Board</b>	Karsten Nielsen
<b>Auditors</b>	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup
<b>Bankers</b>	Sydbank Kgs. Nytorv 30 1050 København K

## Financial Highlights

Seen over a 3-year period, the development of the Company is described by the following financial highlights:

	2023	2022	2021
	TDKK	TDKK	TDKK
<b>Key figures</b>			
<b>Profit/loss</b>			
Gross profit	6,870	46,326	53,081
Profit/loss of primary operations	-25,464	28,619	43,966
Profit/loss of financial income and expenses	-174	-2,552	-1,502
Net profit/loss for the year	-22,432	20,413	33,519
<b>Balance sheet</b>			
Balance sheet total	245,898	280,605	200,709
Investment in property, plant and equipment	0	44	0
Equity	93,449	115,881	95,468
Number of employees	38	21	12
<b>Ratios</b>			
Return on assets	-10.4%	10.2%	21.9%
Solvency ratio	38.0%	41.3%	47.6%
Return on equity	-21.4%	19.3%	70.2%

The ratios have been prepared in accordance with the recommendations and guidelines issued by the Danish Society of Financial Analysts. For definitions, refer to the accounting policies.

From 2022, the Company has changed reporting class and therefore financial highlights for three years has been prepared.

# Management's review

## Key activities

GreenGo Energy A/S originates, develops, constructs, and manages tailored renewable energy solutions in partnership with industry leading investors in the renewable energy sector.

## Development in the year

The income statement of the Company for 2023 shows a loss of DKK 22,432,216, and at 31 December 2023 the balance sheet of the Company shows a positive equity of DKK 93,449,252.

## The past year and follow-up on development expectations from last year

In 2023 we completed construction of four projects for our partners with a total capacity of 120MW. Solid progress was also demonstrated in advancing projects with a total of 690MW between zoning permit and ready to build status by the end of 2023.

During the year, the onshore solar and wind project pipeline in Denmark increased to 5.8GW in development of which more than 2GW have been sold to partners through our partnership agreement framework. The pipeline in Denmark now includes projects born as hybrid solar/wind solutions as an important strategic development. Hybrid projects offer better use of land, grid infrastructure, and provide a more balanced power generation profile year-round.

We executed 1.1GW of new partnership framework agreements with investment partners for Denmark through the year and Partnership agreement volume in Denmark thereby reached a total of 3.3 GW by the end of 2023.

## Megaton One Denmark

The 4GW Megaton One Energy Park was launched January 2023 with the vision of creating a green energy park based on fully optimized integration of solar, on-shore wind, offshore wind, and electrolysis at GW scale, enabling the lowest cost of green fuels in Northern Europe, with a target of producing more than 1 million tons per year of e-methanol.

The project has been further developed during the year reaching significant milestones in terms of first approval stage by the city council, advancements in development and permitting, off take and project engineering design.

The Megaton One project however faced a notable setback with the closure of the open-door nearshore wind model in Denmark early 2023. The project has subsequently been divided in 2 phases, first phase based on 200MW Solar + 200MW onshore wind and a 2nd phase with 1.8GW solar and offshore wind based on the new offshore tenders for Nordsøen1, which would be strategically well located to Megaton One.

We expect during 2024 to conclude a partnership agreement with a Tier1 investment partner that have specific and in-depth focus on the hydrogen economy.

## Foreign exchange risks

Currency risks are to a very large extent limited to currency adjustment on current assets in EUR and USD, where the underlying operational cash flow provides a natural hedge of the predominant part of the exposure.



# Management's review

## Targets and expectations for the year ahead

Based on this stronger foundation of framework agreements generation revenue and a record-high pipeline of new projects going to market throughout 2024 Management looks forward to a year with broad expansion of both contracted pipeline with existing and new partners, as well as a year with dedicated focus on development execution and construction of projects on behalf of our partners. Management also welcomes the enhancement of delivery and execution capabilities from the robust human resource foundation we have developed in preceding years.

Management expects the Megaton product platform to contribute with significant growth going forward, and with expectations of entering first partnership agreement in 2024. On this basis, Management expects EBITDA in the range of MDKK 50-100 for 2024.

The range reflects the continued uncertainties driven by the current market situation, potential regulatory changes, geopolitical instability, and the usual uncertainties on 3rd party delays in permitting and grid connection processes.

## External environment

GreenGo Energy is built around a strong passion for leading the green energy transformation on a grand scale and becoming one of the most impactful companies in the Net Zero paradigm.

When commissioned, our current portfolio of framework agreements with investment partners, will impact the climate by a yearly savings of 2.5 million tons of CO<sub>2</sub> and produce 8 TWh (terawatt hours) of green energy, equivalent to the electricity consumption of 2 million homes.

## Intellectual capital resources

GreenGo Energy intellectual capital refers to our intangible assets and knowledge-based resources which continue to accelerate along with growth of the company and play a pivotal contributing role of the company's value.

The most important human capital knowledge resources are related to the profound competencies of our employees within engineering and development of renewable projects, both individual capabilities and the collective knowledge within the organization.

Goodwill, loyalty, and relationships with our business partners constitute another stream of valuable intellectual capital. Progressing and completing renewable energy projects in close co-operation with satisfied partners is key for our success and marking a positive trend with significant expansion of business with existing partners as well as entering into agreement with new partners during the year.

Long-lasting and collaborative relationships with suppliers and other external partners also provide significant valuable resources and expertise to our business.

## Uncertainty relating to recognition and measurement

Recognition and measurement in the Annual Report have been subject to uncertainty relating to work in progress. See note 1 for a description of this.

## Unusual events

The financial position at 31 December 2023 of the Company and the results of the activities and cash flows of the Company for the financial year for 2023 have not been affected by any unusual events.

## Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

## Income statement 1 January - 31 December

	Note	2023	2022
		DKK	DKK
<b>Gross profit</b>	2	<b>6,870,074</b>	<b>46,326,304</b>
Staff expenses	3	-32,308,074	-17,672,862
<b>Earnings Before Interest Taxes Depreciation and Amortization</b>		<b>-25,438,000</b>	<b>28,653,442</b>
Depreciation and impairment losses of property, plant and equipment		-26,206	-34,559
<b>Profit/loss before financial income and expenses</b>		<b>-25,464,206</b>	<b>28,618,883</b>
Income from investments in subsidiaries		1,340,269	182,843
Financial income	4	1,074,322	714,871
Financial expenses	5	-2,588,516	-3,449,361
<b>Profit/loss before tax</b>		<b>-25,638,131</b>	<b>26,067,236</b>
Tax on profit/loss for the year	6	3,205,915	-5,654,260
<b>Net profit/loss for the year</b>	7	<b>-22,432,216</b>	<b>20,412,976</b>

## Balance sheet 31 December

### Assets

	Note	2023	2022
		DKK	DKK
Goodwill		0	0
<b>Intangible assets</b>	<b>8</b>	<b>0</b>	<b>0</b>
Other fixtures and fittings, tools and equipment		20,889	47,094
<b>Property, plant and equipment</b>	<b>9</b>	<b>20,889</b>	<b>47,094</b>
Investments in subsidiaries	10	2,402,240	1,061,038
Deposits	11	141,745	94,763
<b>Fixed asset investments</b>		<b>2,543,985</b>	<b>1,155,801</b>
<b>Fixed assets</b>		<b>2,564,874</b>	<b>1,202,895</b>
<b>Inventories</b>	<b>12</b>	<b>19,459,517</b>	<b>34,573,903</b>
Trade receivables		148,507	26,861
Contract work in progress	13	179,556,199	167,504,835
Receivables from group enterprises		42,529,859	7,777,907
Other receivables		1,406,387	0
Prepayments	14	232,401	255,659
<b>Receivables</b>		<b>223,873,353</b>	<b>175,565,262</b>
<b>Cash at bank and in hand</b>		<b>0</b>	<b>69,263,054</b>
<b>Current assets</b>		<b>243,332,870</b>	<b>279,402,219</b>
<b>Assets</b>		<b>245,897,744</b>	<b>280,605,114</b>

## Balance sheet 31 December

### Liabilities and equity

	Note	2023	2022
		DKK	DKK
Share capital		559,980	559,980
Retained earnings		92,889,272	115,321,488
<b>Equity</b>		<b>93,449,252</b>	<b>115,881,468</b>
Provision for deferred tax	15	19,491,187	24,932,610
Provisions relating to investments in group enterprises		932	0
Other provisions	16	185,000	1,735,000
<b>Provisions</b>		<b>19,677,119</b>	<b>26,667,610</b>
Credit institutions		24,062,500	0
Trade payables		10,784,247	12,776,361
Other payables		31,767,854	26,468,842
<b>Long-term debt</b>	17	<b>66,614,601</b>	<b>39,245,203</b>
Credit institutions	17	33,620,290	0
Trade payables	17	7,879,979	7,640,275
Payables to group enterprises		4,617,756	65,542,185
Payables to group enterprises relating to corporation tax		2,235,508	0
Other payables	17	17,803,239	25,628,373
<b>Short-term debt</b>		<b>66,156,772</b>	<b>98,810,833</b>
<b>Debt</b>		<b>132,771,373</b>	<b>138,056,036</b>
<b>Liabilities and equity</b>		<b>245,897,744</b>	<b>280,605,114</b>
Uncertainty relating to recognition and measurement	1		
Contingent assets, liabilities and other financial obligations	18		
Related parties	19		
Accounting Policies	20		

## Statement of changes in equity

	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
	DKK	DKK	DKK
Equity at 1 January	559,980	115,321,488	115,881,468
Net profit/loss for the year	0	-22,432,216	-22,432,216
<b>Equity at 31 December</b>	<b>559,980</b>	<b>92,889,272</b>	<b>93,449,252</b>

# Notes to the Financial Statements

## 1. Uncertainty relating to recognition and measurement

### Contract work in progress

The Company recognizes and measures work in progress related to the design and development of the solar plants based on an estimated completion rate, which the management assesses best reflects the value-added of the Company's deliveries to clients based on the entered contracts.

The completion rate estimate is based on project progress according to established assumptions, and the estimate depends on a number of prerequisites and assumptions about the future. In addition, the estimate includes assumptions for the future operational returns of the developed solar projects.

The use of estimates in determining the value of the company's services means that there is some uncertainty associated with this calculation. The uncertainty is partly due to contractual conditions and partly to market-specific conditions. Both can have a bearing on the final settlement to the company, both in relation to the amount of the final settlement and the time at which the value can be finally determined.

Management has chosen to manage this risk by maintaining ongoing contact with clients as well as for selected projects to involve experts in assessing the state of the projects.

The value of the recognised variable fees is determined based project specific milestones as well as macroeconomic conditions, which can be negatively impacted.

	2023	2022
	DKK	DKK
<b>2. Special items</b>		
Impairment of work in progress	30,488,446	0
	<b>30,488,446</b>	<b>0</b>

Gross profit for the year include an impairment of work in progress. Despite our continued efforts to market the 400MW ready-to-build project in Texas, USA faced so detrimental congestion obstacles from the grid connection opportunities that our partner decided to abandon the project and no longer pursue realization of this PV project. GreenGo Energy has therefore in 2023 written off the book value of the project.

GreenGo Energy still sees the area as a strong opportunity for development of renewable energy production and will be assessing the possibilities of transforming the arear into a hydrogen energy park whereby the grid congestion will no longer be prohibitive for a realization.

## Notes to the Financial Statements

	2023	2022
	DKK	DKK
<b>3. Staff Expenses</b>		
Wages and salaries	32,013,092	17,499,907
Other social security expenses	294,982	172,955
	<u>32,308,074</u>	<u>17,672,862</u>
Remuneration to the Executive Board has not been disclosed in accordance with section 98 B(3) of the Danish Financial Statements Act.		
Average number of employees	<u>38</u>	<u>21</u>
	2023	2022
	DKK	DKK
<b>4. Financial income</b>		
Interest received from group enterprises	716,480	680,734
Other financial income	280,869	34,137
Exchange adjustments	76,973	0
	<u>1,074,322</u>	<u>714,871</u>
	2023	2022
	DKK	DKK
<b>5. Financial expenses</b>		
Interest paid to group enterprises	1,278,473	2,033,405
Other financial expenses	1,310,043	906,310
Exchange adjustments, expenses	0	509,646
	<u>2,588,516</u>	<u>3,449,361</u>
	2023	2022
	DKK	DKK
<b>6. Income tax expense</b>		
Current tax for the year	2,235,508	0
Deferred tax for the year	-8,167,817	5,654,260
Adjustment of deferred tax concerning previous years	2,726,394	0
	<u>-3,205,915</u>	<u>5,654,260</u>

## Notes to the Financial Statements

	2023	2022
	DKK	DKK
<b>7. Profit allocation</b>		
Retained earnings	-22,432,216	20,412,976
	<u>-22,432,216</u>	<u>20,412,976</u>

## 8. Intangible fixed assets

	Goodwill
	DKK
Cost at 1 January	80,000
Cost at 31 December	<u>80,000</u>
Impairment losses and amortisation at 1 January	80,000
Impairment losses and amortisation at 31 December	<u>80,000</u>
<b>Carrying amount at 31 December</b>	<u><b>0</b></u>
Amortised over	<u>5 years</u>

## 9. Property, plant and equipment

	Other fixtures and fittings, tools and equipment
	DKK
Cost at 1 January	589,988
Cost at 31 December	<u>589,988</u>
Impairment losses and depreciation at 1 January	542,894
Depreciation for the year	26,205
Impairment losses and depreciation at 31 December	<u>569,099</u>
<b>Carrying amount at 31 December</b>	<u><b>20,889</b></u>
Amortised over	<u>3-5 years</u>



## Notes to the Financial Statements

	2023	2022
	DKK	DKK
<b>10. Investments in subsidiaries</b>		
Cost at 1 January	6,736,535	6,736,535
Cost at 31 December	6,736,535	6,736,535
Value adjustments at 1 January	-5,675,496	-5,858,340
Net profit/loss for the year	1,340,269	182,843
Value adjustments at 31 December	-4,335,227	-5,675,497
Equity investments with negative net asset value transferred to provisions	932	0
<b>Carrying amount at 31 December</b>	<b>2,402,240</b>	<b>1,061,038</b>

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Ownership
GGE ApS	Vedbæk	DKK 80.000	100%
Mermaid Holdco I LP ApS	Vedbæk	DKK 40.000	100%

## 11. Other fixed asset investments

	Deposits
	DKK
Cost at 1 January	94,763
Additions for the year	46,982
Cost at 31 December	141,745
<b>Carrying amount at 31 December</b>	<b>141,745</b>

## Notes to the Financial Statements

	<u>2023</u>	<u>2022</u>
	DKK	DKK
<b>12. Inventories</b>		
Work in progress	19,459,517	34,573,903
	<u>19,459,517</u>	<u>34,573,903</u>

Inventories comprise energy farm projects under development as well as energy farms that have been developed for the purpose of sale.

	<u>2023</u>	<u>2022</u>
	DKK	DKK
<b>13. Contract work in progress</b>		
Selling price of work in progress	424,610,244	380,512,939
Payments received on account	-245,054,045	-213,008,104
	<u>179,556,199</u>	<u>167,504,835</u>
Recognised in the balance sheet as follows:		
Contract work in progress recognised in assets	<u>179,556,199</u>	<u>167,504,835</u>
	<u>179,556,199</u>	<u>167,504,835</u>

With reference to the disclosure in note 1, there is uncertainty relating to when payments from contract work in progress are due as it depends on the progress of the ongoing projects. Is it Management's assessment that mDKK 75 are due within 1 year.

## 14. Prepayments

Prepayments consist of prepaid expenses concerning rent, insurance premiums and subscriptions.

	<u>2023</u>	<u>2022</u>
	DKK	DKK
<b>15. Provision for deferred tax</b>		
Deferred tax liabilities at 1 January	24,932,610	19,278,350
Amounts recognised in the income statement for the year	-5,441,423	5,654,260
Deferred tax liabilities at 31 December	<u>19,491,187</u>	<u>24,932,610</u>

## 16. Other provisions

Other provisions include service and maintenance obligations in respect of solar panels sold in prior year's. Provisions are measured and recognised based on experience.

## Notes to the Financial Statements

	<u>2023</u>	<u>2022</u>
	DKK	DKK
<b>17. Long-term debt</b>		
Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.		
The debt falls due for payment as specified below:		
<b>Credit institutions</b>		
After 5 years	0	0
Between 1 and 5 years	24,062,500	0
Long-term part	24,062,500	0
Within 1 year	8,750,000	0
Other short-term debt to credit institutions	24,870,290	0
	<u>57,682,790</u>	<u>0</u>
<b>Trade payables</b>		
After 5 years	2,567,678	3,041,991
Between 1 and 5 years	8,216,569	9,734,370
Long-term part	10,784,247	12,776,361
Other short-term trade payables	7,879,979	7,640,275
	<u>18,664,226</u>	<u>20,416,636</u>
<b>Other payables</b>		
After 5 years	24,204,079	6,302,105
Between 1 and 5 years	7,563,775	20,166,737
Long-term part	31,767,854	26,468,842
Other short-term payables	17,803,239	25,628,373
	<u>49,571,093</u>	<u>52,097,215</u>
	<u>2023</u>	<u>2022</u>
	DKK	DKK
<b>18. Contingent assets, liabilities and other financial obligations</b>		
<b>Charges and security</b>		
The following assets have been placed as security with bankers:		
All assets and receivables (virksomhedspant)	3,000,000	3,000,000

## Notes to the Financial Statements

	2023	2022
	DKK	DKK
<b>18. Contingent assets, liabilities and other financial obligations</b>		
<b>Rental and lease obligations</b>		
Lease obligations under operating leases. Total future lease payments:		
Within 1 year	0	54,000
Between 1 and 5 years	0	99,000
	<u>0</u>	<u>153,000</u>

### Other contingent liabilities

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of GreenGo Energy Group A/S, which is the management company of the joint taxation purposes. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

## 19. Related parties and disclosure of consolidated financial statements

	<u>Basis</u>
<b>Controlling interest</b>	
GreenGo Energy Group A/S	Parent Company

### Transactions

The Company has chosen only to disclose transactions which have not been made on an arm's length basis in accordance with section 98(c)(7) of the Danish Financial Statements Act.

### Consolidated Financial Statements

The Company is included in the Group Annual Report of the Parent Company of the largest and smallest group:

<u>Name</u>	<u>Place of registered office</u>
GreenGo Energy Group A/S	Vedbæk

# Notes to the Financial Statements

## 20. Accounting policies

The Annual Report of GreenGo Energy A/S for 2023 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2023 are presented in DKK.

### Adjustment of comparatives

Certain comparison numbers has been reclassified for presentation purpose. The reclassification has no effect on the result after tax or total equity.

### Consolidated financial statements

With reference to section 112 of the Danish Financial Statements Act and to the consolidated financial statements for 2023 of GreenGo Energy Group A/S, the Company has not prepared consolidated financial statements.

### Cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act and to the cash flow statement included in the consolidated financial statements of GreenGo Energy Group A/S, the Company has not prepared a cash flow statement.

### Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

### Leases

All leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

### Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Gains and losses arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

# Notes to the Financial Statements

## Income statement

### Revenue

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

Services are recognised at the rate of completion of the service to which the contract relates by using the percentage-of-completion method, which means that revenue equals the selling price of the service completed for the year. This method is applied when total revenues and expenses in respect of the service and the stage of completion at the balance sheet date can be measured reliably, and it is probable that the economic benefits, including payments, will flow to the Company. The stage of completion is determined on the basis of the ratio between the expenses incurred and the total expected expenses of the service.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

### Direct expenses

Direct expenses primarily include include operating expenses used to achieve revenue for the year.

### Other external expenses

Other external expenses comprise expenses for premises, sales as well as office expenses, etc.

### Gross profit

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, direct expenses and other external expenses.

### Staff expenses

Staff costs include wages and salaries including compensated absence and pensions as well as other social security contributions etc. made to the entity's employees.

### Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise depreciation and impairment of property, plant and equipment.

### Income from investments in subsidiaries

The item "Income from investments in subsidiaries" in the income statement includes the proportionate share of the profit for the year.

### Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

### Tax on profit/loss for the year

Tax for the year consists of current tax for the year and deferred tax for the year. The tax attributable to the profit for year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with the Danish group companies. The tax effect of the joint taxation with the subsidiaries is allocated to Danish enterprises showing profits or losses in proportion to their taxable incomes (full allocation with credit for tax losses).

# Notes to the Financial Statements

## Balance sheet

### Intangible fixed assets

#### *Goodwill*

Goodwill is amortised on a straight-line basis over the estimated useful life of 5 years, determined on the basis of Management's experience with the individual business areas.

### Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Other fixtures and fittings, tools and equipment	5 years
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The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

### Impairment of fixed assets

The carrying amounts of property, plant and equipment and investments are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by depreciation.

If so, the asset is written down to its lower recoverable amount.

### Investments in subsidiaries

Investments in subsidiaries are recognised and measured under the equity method.

The item "Investments in subsidiaries" in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition with deduction or addition of unrealised intercompany profits or losses and with addition of the remaining value of any increases in value and goodwill calculated at the time of acquisition of the enterprises.

The total net revaluation of investments in subsidiaries is transferred upon distribution of profit to "Reserve for net revaluation under the equity method" under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in the subsidiaries.

Subsidiaries with a negative net asset value are recognised at DKK 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.

### Other fixed asset investments

Other fixed asset investments consist of deposits.

### Inventories

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

# Notes to the Financial Statements

The net realisable value of inventories is calculated at the amount expected to be generated by sale of the inventories in the process of normal operations with deduction of selling expenses and costs of completion. The net realisable value is determined allowing for marketability, obsolescence and development in expected selling price.

## Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

## Contract work in progress

Contract work in progress is measured at selling price of the work performed calculated on the basis of the stage of completion. The stage of completion is measured by the proportion that the contract expenses incurred to date bear to the estimated total contract expenses. Where it is probable that total contract expenses will exceed total revenues from a contract, the expected loss is recognised as an expense in the income statement.

Where the selling price cannot be measured reliably, the selling price is measured at the lower of expenses incurred and net realisable value.

Payments received on account are set off against the selling price. The individual contracts are classified as receivables when the net selling price is positive and as liabilities when the net selling price is negative.

## Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

## Provisions

Provisions are recognised when - in consequence of an event occurred before or on the balance sheet date - the Company has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation.

Other provisions include warranty obligations in respect of repair work within the warranty period of 1 year. Provisions are measured and recognised based on experience with guarantee work.

## Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in 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 will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

## Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.



# Notes to the Financial Statements

## Financial liabilities

Debts are measured at amortised cost, substantially corresponding to nominal value.

## Financial Highlights

### Explanation of financial ratios

Return on assets	$\text{Profit/loss of ordinary primary operations} \times 100 / \text{Total assets at year end}$
Solvency ratio	$\text{Equity at year end} \times 100 / \text{Total assets at year end}$
Return on equity	$\text{Net profit for the year} \times 100 / \text{Average equity}$