GreenGo Energy Group A/S

Frydenlundsvej 30, DK-2950 Vedbæk

Annual Report for 2023

CVR No. 36 04 96 18

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

Jan Henrik Christiansen
Chairman of the general meeting

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Contents

Management's statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of GreenGo Energy Group 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 and the Consolidated Financial Statements give a true and fair view of the financial position at 31 December 2023 of the Company and the Group and of the results of the Company and Group operations and of consolidated cash flows 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	Johnny Rask Jensen Executive officer	Jean-Christophe Girouard Executive officer

Board of Directors

Jan Henrik Christiansen Chairman	Morten Skovfoged Tinggaard Vice chairman	Annemette Færch
Pernille Fabricius		

Independent Auditor's report

To the shareholders of GreenGo Energy Group A/S

Opinion

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

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of GreenGo Energy Group 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, for both the Group and the Parent Company, as well as consolidated statement of cash flows ("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 Group 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 Consolidated Financial Statements and the Parent Company 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 consolidated financial statements and parent company 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 Group´s and the Parent 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 Group or the Parent 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 Group´s and the Parent 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 Group´s and the Parent 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 Group and the Parent 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.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

Independent Auditor's report

Hellerup, 6 March 2024

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Niels Henrik B. Mikkelsen	Martin Birch
State Authorised Public Accountant	State Authorised Public Accountant
mne16675	mne42825

Company information

The Company	GreenGo Energy Group A/S Frydenlundsvej 30 2950 Vedbæk
	CVR No: 36 04 96 18
	Financial period: 1 January - 31 December
	Municipality of reg. office: Rudersdal
Board of Directors	Jan Henrik Christiansen, chairman Morten Skovfoged Tinggaard, vice chairman Annemette Færch Pernille Fabricius
Executive Board	Karsten Nielsen Johnny Rask Jensen Jean-Christophe Girouard
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup
Bankers	Sydbank Kgs. Nytorv 30 DK-1050 Copenhagen

Financial Highlights

Seen over a 5-year period, the development of the Group is described by the following financial highlights:

	Group				
	2023	2022	2021	2020	2019
	TDKK	TDKK	TDKK	TDKK	TDKK
Key figures					
Profit/loss					
Gross profit	73,982	106,860	65,171	48,672	27,693
EBITDA	8,478	72,219	35,438	13,088	7,407
Profit/loss of primary operations	5,499	69,310	32,472	7,792	2,097
Profit/loss of financial income and expenses	-7,322	-7,885	-5,315	-4,394	-2,102
Net profit/loss for the year	-5,276	45,933	20,624	1,959	-375
Balance sheet					
Balance sheet total	366,199	360,884	209,545	161,114	132,857
Investment in property, plant and equipment	189	44	0	170	201
Equity	148,647	153,261	105,058	78,265	79,184
Cash flows					
Cash flows from:					
- operating activities	-96,046	-11,495	-20,465	-18,763	-15,923
- investing activities	-191	-82	-170	-201	-230
- financing activities	2,325	72,228	32,936	18,311	22,466
Change in cash and cash equivalents for the year	-93,912	60,651	12,300	-653	6,313
Number of employees	76	43	31	24	23
Ratios					
Return on assets	1.5%	19.2%	15.5%	4.8%	1.6%
Solvency ratio	40.6%	42.5%	50.1%	48.6%	59.6%
Return on equity	-3.5%	35.6%	22.5%	2.5%	-0.9%

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.

Management's review

Key activities

The Company's main activity is being parent company of the GreenGo Energy Group entities which originates, develops, constructs, and manages tailored renewable energy solutions in partnership with industry leading investors in the renewable energy sector across several countries.

Development in the year

The income statement of the Group for 2023 shows a revenue of MDKK 209, EBITDA of MDKK 8.5, a loss before tax of MDKK 2, and at 31 December 2023 a Group equity of MDKK 149.

The development in contains the following key elements:
- Investing significantly in building pipeline via strategic origination go to market initiatives and entry to new markets.
- Expanding the team to 92 knowledgeable employees with profound competencies within engineering and development of renewable projects.
- Macro impacts from mainly increased interested rates resulting in lower-than-expected sales of projects during the year.
- Impairments for projects abandoned by our partners due to insufficient grid connection opportunities and not achieved permitting.

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

A turbulent year with broad expansion for GreenGo Energy

2023 demonstrated, more than any previous year, that the climate crisis is both physical and resolute, with record temperatures, flooding, wildfires, and other grim events occurring at increasingly higher frequency across the world. Bold action is needed.

Fortunately, the big shift to green power and green fuels continued throughout 2023 by strengthening of Net Zero commitments at Government level and increased commitments from many leading industrial players and big energy consumers.

Technology disruption continued making solar PV the lowest cost of power generation throughout most of the world, closely followed by onshore wind. The disruptive cost advantage of on-shore PV and wind is a significant growth accelerator, independently helping the transformation to accelerate.

More than 30TWs of new renewable generation will be needed by 2050 to reach global net zero goals IEA2023 and BNEF2023) or 15 times the capacity installed today. This provides a substantial growth opportunity for GreenGo Energy in the coming years with our unique 'Development as a service' scalable business platform.

The hydrogen economy also took significant steps forward through 2023 with multiple FID announcements, a maturing supply chain and with new strong commitments from governments and industrial users. Green hydrogen-based fuels are just as vital for Net Zero as green power, in fact most of worlds the energy consumption today is based on black or grey molecules (IEA2023).

2023 was also a year of expansion for GreenGo Energy with significant investments in new markets and continuing the organizational build-up with more than 50 new employees joining our mission of becoming one of the world's most impactful companies in the Net Zero paradigm by 2030. Doing most matters to us.

Across all markets we grew project pipeline to 18GW total within PV, wind, and energy storage. Megaton is the name of GreenGo Energy' product line for green fuels. In the Megaton green fuels pipeline, we exponentially expanded to a total of 180GW in early-stage development across Europe, US, and Africa, including several hyperscale Megaton projects in West Africa, where conditions are optimal and scale possible.

Framework agreements with our clients increased more than 2GW to reaching a total of 6.2GW, through new and upgraded agreements in Denmark and first partnership agreements executed 2023 for our portfolios in Sweden, Germany, and the Baltics. This demonstrated that GreenGo Energy's business platform seamlessly scales across geographies.

The total of 6.2GW in framework agreements with leading investment partners in green energy corresponds to 4.6 bnEUR capital raised for our global project pipeline in renewables. We see this development in a turbulent 2023 as proof of, and trust in, our development as a service business platform, where partners can access and get control of tailored renewable energy solutions at a significant scale.

GreenGo Energy has grown to become increasingly well positioned and differentiated in the green energy investment segment. We are razor focused on execution through our proven development as a service platform in partnership with Blue Chip investors, and equally focused to leveraging the scalability enabled by our business platform.

2023 was also a year with challenges and turbulence in green energy which affected both us and the industry in a broader sense.

The inflation "crisis" set in with continuous interest rate hikes affecting project returns, directly affecting our investment partners. We observed uncertainty and more hesitation in planned sales and transaction processes, with the consequence that several planned 2023 partnership agreements have rolled into 2024.

Within projects in mid- to late-stage execution in high growth markets such as Denmark, we furthermore observed increasing project delays related to latency in permitting and grid connection processes.

Both delay factors, in combination with a continued strong investment in growth activities, affected our financial results for 2023, where we grew revenue 6% to 209 MDKK and realized EBITDA of 8.5 MDKK which was significantly below our expectations.

The gap to expected earnings was predominantly driven by delays in transactions of new projects and development progress. Further, the earnings are impacted from impairment of and reservations for stranded projects. In US, Texas a significant solar project opportunity of 400MW has been abandoned as the grid connection opportunities have proven insufficient, and our partner will no longer pursue realization of this PV project (see also note 3). In Denmark projects with a total capacity of 200MW have stranded as the municipalities have deselected the areas for renewable energy production.

Highlights By Market - Renewables
Denmark
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.

Sweden
We expanded our footprint in Sweden significantly over the year and reached a pipeline of 2.3GW in development by the end of 2023.

As a key achievement, we executed the first two 500MW partnership framework agreements with Tier1 partners for Sweden, where the first 4 projects have been transacted. We now have 1GW of Partnership agreement volume for the Swedish market. This well demonstrates the scalability of our platform cross countries and states.

Germany
With market entry in late 2022, we have demonstrated solid progress through 2023, establishing a pipeline of 290MW in this first year of project origination and development, with an additional 800MW of leads created in earlier-stage development.

As a key milestone, we executed the first 500MW partnership agreement less than 15 months after market entry as a testament of market interest and market compatibility with GreenGo Energy's business platform.

Throughout 2023 we invested in developing the organization in GreenGo Energy Germany's office in Dusseldorf. Germany is one of the most promising energy transition markets in Europe, targeting more than 130GW of additional PV capacity by 2030.

Poland
We scaled our project pipeline to 360MW with an additional 1.2GW of project leads created in in earlier stage development. We are in process with the first investment Partner for the Polish market, and we expect to execute first scalable partnership agreement over the course of 2024. Throughout 2023 we invested in establishing the organization in GreenGo Energy Poland office in Warsaw.
The Polish market was affected harder by the interest rate level hikes than other European markets and generally faces certain challenges within grid and infrastructure development. The 2023 change in government however is prosperous for the market with a new government that is clearly pro green.

We remain optimistic for the market longer term, with an inevitable shift away from coal and gas in the horizon. This is set to be replaced by significant developments in wind and solar, and potentially green hydrogen.

Baltics
In the Baltics countries we scaled our project pipeline significantly to 580MW, with an additional 1000MW of project leads created in early-stage development.

In addition, our first partnership agreement for the Baltics was executed with leading investor in green energy, closing the loop also for our activities in the Baltics. We expect to reach construction on our first project in the Baltics during 2024.

USA
Over 2023 we expanded our footprint significantly in the US reaching 8.3GW of total project pipeline across 10 states in the south-east US. The Inflation Reduction Act (IRA), launched in 2022, helps ensure more than USD 350bn in decarbonization incentives to the renewable and hydrogen economies which is a clear differentiator vs. other markets. We intend to fully leverage the potential of the IRA based on our 8 years of experience and deep footprint in the US market.

TVA Market
Our project portfolio in the Tennessee Valley Authority (TVA), which covers the state of Tennessee and parts of the states of Alabama, Mississippi and Kentucky, expanded successfully during 2023 to 2.8GW. First GW scale partnership agreement for TVA was executed end of 2022 with one of the largest investment entities in the world. The project portfolio under this agreement is advancing to mid/late state development and the projects are in advanced negotiations of PPAs, which we expect will be executed through 2024.

Texas
Our project portfolio in Texas expanded to 3.3GW, focusing on project locations where we see acceptable grid and load conditions. We expect to close new partnership agreements through 2024 for the Texas market.

A 12,000-acre late-stage solar project from the Texas portfolio was converted to a Megaton energy park solution where we will integrate on-shore wind and electrolysis. The decision was driven by the site having some of the most attractive solar and wind resources in Texas, in combination with water, CO2 resources and attractive infrastructure options.

MISO
During 2023, we invested significantly in expanding our MISO south footprint, entering the MISO territory in the states Arkansas, Mississippi, and Louisiana. We have over the last year developed a 1.9GW multi-state project portfolio, that will go to market through 2024. We expect to execute first partnership agreement for MISO during 2024, given the intrinsic qualities and investor interest for the market.

Carolinas
GreenGo Energy has significant experience from North Carolina and South Carolina markets (regulated markets under Duke Energy), where we have developed and COD'ed over 20 individual solar projects under the former regulatory regime in partnership with a leading infrastructure fund.

We see good prospects and an opening in the future market regime and energy transition initiatives in the Carolinas. We initiated market investment through 2023, creating a first pipeline of 150MW, a pipeline that is expected to expand significantly over 2024, in combination with the target of closing first partnership framework agreement over 2024.

Global Pipeline of Megaton Energy Parks
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.

Megaton Star US
Based on our significant development platform in Texas, we decided to transform a 12,000 acre/5,000 hectare late-stage solar project from our Texas portfolio to a Megaton energy park solution with integrate on-shore wind and electrolysis.

The decision was driven by the site having some of the most attractive solar and wind resources in Texas, in combination with water, CO2 resources and attractive infrastructure options. We expect to go to market with phase 1 of Megaton Star during 2024.

Megaton Moon Mauritania and West Africa investments
GreenGo Energy is committed to hyperscale development of Megaton Energy parks in the world's most suitable locations, and equally committed to reach cost parity with black and grey fuel molecules over the next decade.

This, we believe, will be the proxy for accelerating the needed transformation to green fuels in full, like the paradigm change we observed when renewables reached cost parity, catapulting developments.

Megaton Energy parks are operating in Island mode and are subsequently not depending on grid connection or the latencies in transmission grid development. This opens for a development path best mirroring the history in oil and gas, in remote locations with ideal conditions that enables massive scale over time.

During 2023 we invested significantly in development in ideal project locations on the West African perimeter, setting up local representation and development teams in Africa.

Megaton Moon was launched December 2023 as our first hyperscale energy park in Mauritania, with the ambition of to deliver 1% of the total global green hydrogen demand by 2050 for Net Zero, representing bold action to the climate crisis.

Planned for a staged implementation process to reach 60GW/190TWh of hybrid solar and wind generation and 35GW electrolysis producing 4 million tons of green hydrogen yearly or further processed 18 million tons of green ammonia. The staged implementation targets COD of first pilot stage by 2028 and last stage by 2033-2035.

Mauritania is ideally positioned to become one of the world's future green hydrogen production hubs for a range of strong reasons. Mauritania holds some of the best solar and wind resource cross in the world, very large areas of suitable flat land and coastal proximity for water and shipping. Green hydrogen production cost is half of Northern Europe, potentially lower.

Furthermore, the region has some of the most operator-friendly fiscal policies on the continent, as documented by a history of significant oil and gas investments by world energy majors. Proximity to load centres in EU is an additional benefit.

EU recently recognized the transformative potential of Mauritania through the visit from Ursula von der Leyen and Spanish prime minister Sánchez in February 2024.

Capital resources

The financial development in the year has made its mark on Group's capital resources during the year. Total working capital decreased with MDKK 91, which reflects the strong progress in project development and the new partner contracts compared to last year and follows the expectations of the Management. Development in new partner agreements in the year was as mentioned in the section 'A turbulent year with broad expansion for GreenGo Energy' below the outlook for 2023 from the Management.

Development in working capital, which predominantly consists of project work in progress and inventories followed the activity growth of the Group and showed MDKK 344 (2022: MDKK 279).

At the same time, long-term financing increased with MDKK 2 alongside an increase in suppliers of goods and services of MDKK 7.

Because of the above, the Group's cash flow in 2023 showed a negative operational cash flow of MDKK -96 (2022: MDKK -11), and cash and cash equivalents was during 2023 reduced to MDKK -19 at year end (2022: MDKK 75).

Management has initiated processes for strengthening the capital and liquidity readiness to supplement the cash flow growth from the organic growth of the business. Based on assessment of expected organic growth, new partner agreements and potential strengthening the of capital readiness Management considers the financial position of the Group satisfactory.

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.

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 100-200 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_2 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 out intangible assets and knowledge-based resources which continue to accelerate along with growth of the company and play a pivotable 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 Group and the results of the activities and cash flows of the Group for the financial year for 2023 have not been affected by any unusual events.

Management's review

Subsequent events

After year end the Group has agreed to postpone repayment of loans. Reference is made to note 2.

Income statement 1 January - 31 December

	Note	Group 2023	Group 2022	Parent company 2023	Parent company 2022
		DKK	DKK	DKK	DKK
Gross profit	3	**73,982,072**	**106,859,831**	**-1,206,180**	**-182,578**
Staff expenses	4	-65,504,203	-34,640,607	-7,382,302	-7,363,542
Earnings Before Interest Taxes Depreciation and Amortization		**8,477,869**	**72,219,224**	**-8,588,482**	**-7,546,120**
Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment	5	-2,978,504	-2,909,497	0	-20,242
Profit/loss before financial income and expenses		**5,499,365**	**69,309,727**	**-8,588,482**	**-7,566,362**
Income from investments in subsidiaries		0	0	5,418,026	55,455,409
Financial income	6	452,344	70,759	1,337,148	2,077,544
Financial expenses	7	-7,774,202	-7,956,003	-6,457,855	-6,536,083
Profit/loss before tax		**-1,822,493**	**61,424,483**	**-8,291,163**	**43,430,508**
Tax on profit/loss for the year	8	-3,453,776	-15,491,258	3,014,894	2,502,717
Net profit/loss for the year	9	**-5,276,269**	**45,933,225**	**-5,276,269**	**45,933,225**

Balance sheet 31 December

Assets

	Note	Group 2023	Group 2022	Parent company 2023	Parent company 2022
		DKK	DKK	DKK	DKK
Goodwill		720,472	3,567,772	0	0
Intangible assets	10	**720,472**	**3,567,772**	**0**	**0**
Other fixtures and fittings, tools and equipment		233,894	176,183	0	0
Property, plant and equipment	11	**233,894**	**176,183**	**0**	**0**
Investments in subsidiaries	12	0	0	174,379,486	163,078,825
Deposits	13	161,570	159,337	0	0
Fixed asset investments		**161,570**	**159,337**	**174,379,486**	**163,078,825**
Fixed assets		**1,115,936**	**3,903,292**	**174,379,486**	**163,078,825**
Inventories	14	**43,289,888**	**39,707,304**	**0**	**0**
Trade receivables		1,141,864	1,921,333	0	0
Contract work in progress	15	300,771,835	239,199,591	0	0
Receivables from group enterprises		0	0	995,963	64,423,205
Other receivables		4,647,377	850,393	1,273,041	75,334
Deferred tax asset	18	0	0	13,977,434	13,198,048
Corporation tax		3,427,096	0	0	0
Corporation tax receivable from group enterprises		0	0	2,235,508	0
Prepayments	16	6,118,116	573,576	5,361,763	0
Receivables		**316,106,288**	**242,544,893**	**23,843,709**	**77,696,587**
Cash at bank and in hand		**5,686,832**	**74,728,114**	**773,895**	**493,751**
Current assets		**365,083,008**	**356,980,311**	**24,617,604**	**78,190,338**
Assets		**366,198,944**	**360,883,603**	**198,997,090**	**241,269,163**

Balance sheet 31 December

Liabilities and equity

	Note	Group 2023	Group 2022	Parent company 2023	Parent company 2022
		DKK	DKK	DKK	DKK
Share capital	17	1,496,443	1,496,443	1,496,443	1,496,443
Reserve for net revaluation under the equity method		0	0	101,368,124	97,150,653
Reserve for exchange rate conversion		-869,518	276,281	0	0
Retained earnings		148,019,906	151,488,271	45,782,264	54,613,899
Equity		**148,646,831**	**153,260,995**	**148,646,831**	**153,260,995**
Provision for deferred tax	18	24,785,228	23,214,267	0	0
Provisions relating to investments in group enterprises		0	0	8,679,469	1,316,733
Other provisions	19	185,000	1,735,000	0	0
Provisions		**24,970,228**	**24,949,267**	**8,679,469**	**1,316,733**
Credit institutions		24,062,500	22,324,866	0	22,324,866
Convertible and profit-yielding instruments of debt		0	29,650,000	0	29,650,000
Trade payables		12,077,512	12,776,361	0	0
Payables to owners and Management		0	23,923,082	0	23,923,082
Other payables		48,871,829	46,511,151	1,627,969	0
Long-term debt	20	**85,011,841**	**135,185,460**	**1,627,969**	**75,897,948**
Credit institutions	20	33,620,290	0	0	0
Convertible and profit-yielding instruments of debt	20	22,650,000	0	22,650,000	0
Trade payables	20	17,200,964	10,790,674	5,488,715	245,724
Payables to group enterprises		0	0	4,504,894	440,611
Payables to owners and Management	20	4,900,000	4,000,000	4,900,000	4,000,000
Other payables	20	29,198,790	32,697,207	2,499,212	6,107,152
Short-term debt		**107,570,044**	**47,487,881**	**40,042,821**	**10,793,487**
Debt		**192,581,885**	**182,673,341**	**41,670,790**	**86,691,435**
Liabilities and equity		**366,198,944**	**360,883,603**	**198,997,090**	**241,269,163**

Balance sheet 31 December

Liabilities and equity

		Group		Parent company	
	Note	2023	2022	2023	2022
		DKK	DKK	DKK	DKK
Uncertainty relating to recognition and measurement	1				
Subsequent events	2				
Contingent assets, liabilities and other financial obligations	23				
Related parties	24				
Accounting Policies	25				

Statement of changes in equity

Group

	Share capital	Reserve for exchange rate conversion	Retained earnings	Total
	DKK	DKK	DKK	DKK
Equity at 1 January	1,496,443	276,281	151,488,271	153,260,995
Exchange adjustments	0	-1,145,799	0	-1,145,799
Sale of treasury shares	0	0	1,862,660	1,862,660
Other equity movements	0	0	-54,756	-54,756
Net profit/loss for the year	0	0	-5,276,269	-5,276,269
Equity at 31 December	**1,496,443**	**-869,518**	**148,019,906**	**148,646,831**

Parent company

	Share capital	Reserve for net revaluation under the equity method	Retained earnings	Total
	DKK	DKK	DKK	DKK
Equity at 1 January	1,496,443	97,150,653	54,613,899	153,260,995
Exchange adjustments	0	-1,145,799	0	-1,145,799
Sale of treasury shares	0	0	1,862,660	1,862,660
Other equity movements	0	-54,756	0	-54,756
Net profit/loss for the year	0	5,418,026	-10,694,295	-5,276,269
Equity at 31 December	**1,496,443**	**101,368,124**	**45,782,264**	**148,646,831**

Cash flow statement 1 January - 31 December

		Group	
	Note	2023	2022
		DKK	DKK
Result of the year		-5,276,269	45,933,225
Adjustments	21	12,608,339	26,538,431
Change in working capital	22	-90,746,179	-75,345,270
Cash flow from operations before financial items		**-83,414,109**	**-2,873,614**
Financial income		452,344	70,759
Financial expenses		-7,774,202	-7,956,003
Cash flows from ordinary activities		**-90,735,967**	**-10,758,858**
Corporation tax paid		-5,309,911	-736,504
Cash flows from operating activities		**-96,045,878**	**-11,495,362**
Purchase of property, plant and equipment		-188,915	-44,235
Fixed asset investments made etc		-2,233	-38,137
Cash flows from investing activities		**-191,148**	**-82,372**
Repayment of loans from credit institutions		-24,512,366	0
Repayment of other long-term debt		-9,970,084	55,287,512
Raising of loans from credit institutions		35,000,000	1,133,364
Raising of other long-term debt		0	13,798,994
Sale of treasury shares		1,862,660	1,701,006
Other equity entries		-54,756	307,310
Cash flows from financing activities		**2,325,454**	**72,228,186**
Change in cash and cash equivalents		**-93,911,572**	**60,650,452**
Cash and cash equivalents at 1 January		74,728,114	14,077,662
Cash and cash equivalents at 31 December		**-19,183,458**	**74,728,114**
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		5,686,832	74,728,114
Overdraft facility		-24,870,290	0
Cash and cash equivalents at 31 December		**-19,183,458**	**74,728,114**

Notes to the Financial Statements

1. Uncertainty relating to recognition and measurement

Contract work in progress

The Group 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 Group'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.

To manage this risk Management has the option involve experts in assessing the state of the projects in addition to maintain ongoing contact with clients.

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

2. Subsequent events

After year end the Group has agreed with lenders to postpone repayment of debt to shareholders and convertible loans of mDKK 27.5 to 2025.

3. Special items

	Group		Parent company	
	2023	2022	2023	2022
	DKK	DKK	DKK	DKK
Impairment of work in progress	30,488,446	0	0	0
	30,488,446	**0**	**0**	**0**

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

4. Staff Expenses

	Group 2023	Group 2022	Parent company 2023	Parent company 2022
	DKK	DKK	DKK	DKK
Wages and salaries	58,493,054	33,679,907	6,893,533	7,119,642
Other social security expenses	6,334,697	749,294	31,527	32,494
Other staff expenses	676,452	211,406	457,242	211,406
	65,504,203	**34,640,607**	**7,382,302**	**7,363,542**

Remuneration to the Board of Directors and Executive Board consists of payments from the Parent Company and GreenGo Energy A/S. For 2023 the remuneration to the Executive Board amounts to DKK 13,114,959 (2022: 6,576,931), whereas the remuneration to the Board of Directors amounts to DKK 599,988 (2022: 479,156).

	Group 2023	Group 2022	Parent company 2023	Parent company 2022
Average number of employees	**76**	**43**	**4**	**4**

5. Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment

	Group 2023	Group 2022	Parent company 2023	Parent company 2022
	DKK	DKK	DKK	DKK
Amortisation of intangible assets	2,847,300	2,847,300	0	0
Depreciation of property, plant and equipment	131,204	62,197	0	20,242
	2,978,504	**2,909,497**	**0**	**20,242**

6. Financial income

	Group 2023	Group 2022	Parent company 2023	Parent company 2022
	DKK	DKK	DKK	DKK
Interest received from group enterprises	0	0	1,331,529	2,077,544
Other financial income	286,507	70,759	4,425	0
Exchange gains	165,837	0	1,194	0
	452,344	**70,759**	**1,337,148**	**2,077,544**

Notes to the Financial Statements

	Group		Parent company	
	2023	2022	2023	2022
	DKK	DKK	DKK	DKK
7. Financial expenses				
Interest paid to group enterprises	0	0	17,624	13,869
Other financial expenses	7,760,925	7,446,153	6,440,231	6,522,010
Exchange adjustments, expenses	13,277	509,850	0	204
	7,774,202	**7,956,003**	**6,457,855**	**6,536,083**

	Group		Parent company	
	2023	2022	2023	2022
	DKK	DKK	DKK	DKK
8. Income tax expense				
Current tax for the year	1,882,815	2,061,237	-2,235,508	0
Deferred tax for the year	-1,155,433	13,287,260	-779,386	-2,645,478
Adjustment of deferred tax concerning previous years	2,726,394	142,761	0	142,761
	3,453,776	**15,491,258**	**-3,014,894**	**-2,502,717**

	Parent company	
	2023	2022
	DKK	DKK
9. Profit allocation		
Reserve for net revaluation under the equity method	5,418,026	55,455,409
Retained earnings	-10,694,295	-9,522,184
	-5,276,269	**45,933,225**

Notes to the Financial Statements

10. Intangible fixed assets
Group

	Goodwill
	DKK
Cost at 1 January	28,777,754
Cost at 31 December	28,777,754
Impairment losses and amortisation at 1 January	25,209,982
Amortisation for the year	2,847,300
Impairment losses and amortisation at 31 December	28,057,282
Carrying amount at 31 December	**720,472**
Amortised over	10 years

11. Property, plant and equipment

	Group	**Parent company**
	Other fixtures and fittings, tools and equipment	Other fixtures and fittings, tools and equipment
	DKK	DKK
Cost at 1 January	1,235,211	67,340
Additions for the year	188,847	0
Cost at 31 December	1,424,058	67,340
Impairment losses and depreciation at 1 January	1,058,960	67,340
Depreciation for the year	131,204	0
Impairment losses and depreciation at 31 December	1,190,164	67,340
Carrying amount at 31 December	**233,894**	**0**
Amortised over	3 years	

Notes to the Financial Statements

	Parent company	
	2023	2022
	DKK	DKK

12. Investments in subsidiaries

	2023	2022
Cost at 1 January	63,491,416	60,918,436
Additions for the year	40,000	2,572,980
Cost at 31 December	63,531,416	63,491,416
Value adjustments at 1 January	97,150,653	41,126,530
Exchange adjustment	-1,145,799	261,404
Net profit/loss for the year	8,265,326	58,302,709
Other equity movements, net	-54,756	307,310
Amortisation of goodwill	-2,847,300	-2,847,300
Value adjustments at 31 December	101,368,124	97,150,653
Equity investments with negative net asset value amortised over receivables	800,477	1,120,023
Equity investments with negative net asset value transferred to provisions	8,679,469	1,316,733
Carrying amount at 31 December	**174,379,486**	**163,078,825**
Positive differences arising on initial measurement of subsidiaries at net asset value	28,473,000	28,473,000
Remaining positive difference included in the above carrying amount at	720,472	3,567,772

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Ownership
GreenGo Energy A/S	Vedbæk	DKK 559,980	100%
GreenGo Energy Latin America ApS	Vedbæk	DKK 80,000	100%
GreenGo Energy US Inc.	USA	USD 2,000	100%
GreenGo Energy Sweden AB	Sweden	SEK 25,000	100%
GreenGo Energy Poland sp. z o.o	Poland	PLZ 5,000	100%
GreenGo Energy Germany GmbH	Germany	EUR 25,000	100%
GreenGo MEA ApS	Vedbæk	DKK 40,000	100%

13. Other fixed asset investments

Group

	Deposits
	DKK
Cost at 1 January	159,337
Additions for the year	2,233
Cost at 31 December	161,570
Carrying amount at 31 December	**161,570**

14. Inventories

	Group		Parent company	
	2023	2022	2023	2022
	DKK	DKK	DKK	DKK
Work-in-progress	43,289,888	39,707,304	0	0
	43,289,888	**39,707,304**	**0**	**0**

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

15. Contract work in progress

	Group		Parent company	
	2023	2022	2023	2022
	DKK	DKK	DKK	DKK
Selling price of work in progress	574,949,487	431,417,053	0	0
Payments received on account	-274,177,652	-192,217,462	0	0
	300,771,835	**239,199,591**	**0**	**0**
Recognised in the balance sheet as follows:				
Contract work in progress recognised in assets	300,771,835	239,199,591	0	0
	300,771,835	**239,199,591**	**0**	**0**

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 DKK 144,007k are due within 1 year (2022: DKK 178,968k).

16. Prepayments

Prepayments consist of prepaid expenses concerning rent, insurance premiums and subscriptions as well as expected transaction costs.

17. Share capital

The share capital consists of 1,496,443 shares of a nominal value of DKK 1. No shares carry any special rights.

In previous year's the Company has acquired treasury shares as a result of previous shareholders' desire to resign from the group of owners. In the financial year the Company has sold its remaining treasury shares with the amount booked in equity. At 31 December 2023 the Company holds no treasury shares.

18. Provision for deferred tax

	Group		Parent company	
	2023	2022	2023	2022
	DKK	DKK	DKK	DKK
Deferred tax liabilities at 1 January	23,214,267	9,927,007	-13,198,048	-10,552,570
Amounts recognised in the income statement for the year	1,570,961	13,287,260	-779,386	-2,645,478
Deferred tax liabilities at 31 December	**24,785,228**	**23,214,267**	**-13,977,434**	**-13,198,048**

Recognition of deferred tax assets in the Parent Company relates to tax losses from previous year's which the Company expect to utilise in the coming financial years along with finalizing the Group's work-in-progress.

19. 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.

20. Long-term debt

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:

	Group 2023 DKK	Group 2022 DKK	Parent company 2023 DKK	Parent company 2022 DKK
Credit institutions				
After 5 years	0	0	0	0
Between 1 and 5 years	24,062,500	22,324,866	0	22,324,866
Long-term part	24,062,500	22,324,866	0	22,324,866
Other short-term debt to credit institutions	33,620,290	0	0	0
	57,682,790	**22,324,866**	**0**	**22,324,866**
Convertible and profit-yielding instruments of debt				
After 5 years	0	0	0	0
Between 1 and 5 years	0	29,650,000	0	29,650,000
Long-term part	0	29,650,000	0	29,650,000
Within 1 year	22,650,000	0	22,650,000	0
	22,650,000	**29,650,000**	**22,650,000**	**29,650,000**
Trade payables				
After 5 years	2,875,598	3,041,991	0	0
Between 1 and 5 years	9,201,914	9,734,370	0	0
Long-term part	12,077,512	12,776,361	0	0
Other short-term trade payables	17,200,964	10,790,674	5,488,715	245,724
	29,278,476	**23,567,035**	**5,488,715**	**245,724**
Payables to owner and Management				
After 5 years	0	0	0	0
Between 1 and 5 years	0	23,923,082	0	23,923,082
Long-term part	0	23,923,082	0	23,923,082
Other short-term debt to owners and Management	4,900,000	4,000,000	4,900,000	4,000,000
	4,900,000	**27,923,082**	**4,900,000**	**27,923,082**

20. Long-term debt

	Group		Parent company	
	2023	2022	2023	2022
	DKK	DKK	DKK	DKK
Other payables				
After 5 years	11,636,150	9,302,230	508,740	0
Between 1 and 5 years	37,235,679	37,208,921	1,119,229	0
Long-term part	48,871,829	46,511,151	1,627,969	0
Other short-term payables	29,198,790	32,697,207	2,499,212	6,107,152
	78,070,619	**79,208,358**	**4,127,181**	**6,107,152**

21. Cash flow statement - Adjustments

	Group	
	2023	2022
	DKK	DKK
Financial income	-452,344	-70,759
Financial expenses	7,774,202	7,956,003
Depreciation, amortisation and impairment losses, including losses and gains on sales	2,978,504	2,909,497
Tax on profit/loss for the year	3,453,776	15,491,258
Exchange adjustments	-1,145,799	0
Other adjustments	0	252,432
	12,608,339	**26,538,431**

22. Cash flow statement - Change in working capital

	Group	
	2023	2022
	DKK	DKK
Change in inventories	-3,582,584	-39,707,304
Change in receivables	-70,134,299	-54,002,044
Change in other provisions	-1,550,000	0
Change in trade payables, etc	-15,479,296	18,364,078
	-90,746,179	**-75,345,270**

	Group		Parent company	
	2023	2022	2023	2022
	DKK	DKK	DKK	DKK

23. Contingent assets, liabilities and other financial obligations

Charges and security

The following assets have been placed as security with bankers:

	Group 2023 DKK	Group 2022 DKK	Parent company 2023 DKK	Parent company 2022 DKK
Floating charge (virksomhedspant)	3,000,000	3,000,000	3,000,000	3,000,000

Rental and lease obligations

Lease obligations under operating leases. Total future lease payments:

	Group 2023 DKK	Group 2022 DKK	Parent company 2023 DKK	Parent company 2022 DKK
Within 1 year	6,990,000	1,556,875	638,709	0
Between 1 and 5 years	15,078,000	532,258	532,258	0
	22,068,000	**2,089,133**	**1,170,967**	**0**

Other contingent liabilities

GreenGo Energy Group A/S has provided a letter of support to it's subsidiary GreenGo Energy Latin America ApS which ensures that the subsidiary has the sufficient cash flow to continue it's operations in the coming financial year. Furthermore the receivable from the subsidiary will not be collected unless the liquidity is sufficient.

GreenGo Energy Group A/S has provided a guarantee to the subsidiary GreenGo Energy A/S under which the Company assumes joint and several liability.

The Danish 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 by the Group amounts to DKK 0. Moreover, the Danish 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 Group’s liability.

24. Related parties

Related parties	Basis
GreenGo Energy Group companies	Subsidiaries
Executive board and Board of directors	Key management personnel

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.

25. Accounting policies

The Annual Report of GreenGo Energy Group 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 Consolidated Financial Statements and the Parent Company 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.

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.

Basis of consolidation

The Consolidated Financial Statements comprise the Parent Company, GreenGo Energy Group A/S, and subsidiaries in which the Parent Company directly or indirectly holds more than 50% of the votes or in which the Parent Company, through share ownership or otherwise, exercises control. Enterprises in which the Group holds between 20% and 50% of the votes and exercises significant influence but not control are classified as associates.

On consolidation, items of a uniform nature are combined. Elimination is made of intercompany income and expenses, shareholdings, dividends and accounts as well as of realised and unrealised profits and losses on transactions between the consolidated enterprises.

The Parent Company's investments in the consolidated subsidiaries are set off against the Parent Company's share of the net asset value of subsidiaries stated at the time of consolidation.

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. Exchange differences 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. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

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 transaction date rates are recognised in financial income and expenses in the income statement

Income statements of foreign subsidiaries and associates that are separate legal entities are translated at transaction date rates or approximated average exchange rates. Balance sheet items are translated at the exchange rates at the balance sheet date. Exchange adjustments arising on the translation of the opening equity and exchange adjustments arising from the translation of the income statements at the exchange rates at the balance sheet date are recognised directly in equity.

Income statements of enterprises that are integrated entities are translated at transaction date rates or approximated average exchange rates; however, items derived from non-monetary balance sheet items are translated at the transaction date rates of the underlying assets or liabilities. Monetary balance sheet items are translated at the exchange rates at the balance sheet date, whereas non-monetary items are translated at transaction date rates. Exchange adjustments arising on the translation are recognised in financial income and expenses in the income statement.

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 Group.

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 Group. 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 operating expenses for the year 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, other operating income, 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 amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Group, including gains and losses on the sale of intangible assets and 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 comprise interest, financial expenses in respect of finance leases, realised and unrealised exchange adjustments, price adjustment of securities, amortisation of mortgage loans as well as extra payments and repayment under the on-account taxation scheme.

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).

Balance sheet

Intangible fixed assets

Goodwill

Goodwill is amortised on a straight-line basis over the estimated useful life of 10 years, determined on the basis of Management’s experience with the individual business areas.

Development projects

Costs of development projects comprise salaries, amortisation and other expenses directly or indirectly attributable to the Company’s development activities.

Development projects that are clearly defined and identifiable and in respect of which technical feasibility, sufficient resources and a potential future market or development opportunity in the enterprise can be demonstrated, and where it is the intention to manufacture, market or use the project, are recognised as intangible assets. This applies if sufficient certainty exists that the value in use of future earnings can cover cost of sales, distribution and administrative expenses involved as well as the development costs.

Development projects that do not meet the criteria for recognition in the balance sheet are recognised as expenses in the income statement as incurred.

Capitalised development costs are measured at cost less accumulated amortisation and impairment losses or at a lower recoverable amount. An amount corresponding to the recognised development costs is allocated to the equity item 'Reserve for development costs'. The reserve comprises only development costs recognised in financial years beginning on or after 1 January 2016. The reserve is reduced by amortisation of and impairment losses on the development projects on a continuing basis.

As of the date of completion, capitalised development costs are amortised on a straight-line basis over the period of the expected economic benefit from the development work. The amortisation period is 5 year.

Notes to the Financial Statements

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.

Interest expenses on loans contracted directly for financing the construction of property, plant and equipment are recognised in cost over the construction period.

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

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 intangible assets and 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 amortisation and 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.

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.

Expenses relating to sales work and the winning of contracts are recognised in the income statement as incurred.

Prepayments

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

Equity

Treasury shares

Purchase and sales prices for treasury shares are recognised directly in retained earnings under equity. A reduction of capital by cancellation of treasury shares reduces the share capital by an amount equal to the nominal value of the shares and increases retained earnings. Dividend on treasury shares is recognised directly in equity under retained earnings.

Provisions

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

Deferred tax assets and liabilities

Deferred tax is recognised in respect of all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised in respect of temporary differences concerning goodwill not deductible for tax purposes and other items - apart from business acquisitions - where temporary differences have arisen at the time of acquisition without affecting the profit for the year or the taxable income.

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. In cases where the computation of the tax base may be made according to alternative tax rules, deferred tax is measured on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, 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.

Deferred tax assets and liabilities are offset within the same legal tax entity.

Notes to the Financial Statements

Current tax receivables and liabilities

Current tax receivables and liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on taxable incomes for prior years. Tax receivables and liabilities are offset if there is a legally enforceable right of set-off and an intention to settle on a net basis or simultaneously.

Financial liabilities

Loans, such as loans from credit institutions, are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

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

Cash Flow Statement

The cash flow statement shows the Group's cash flows for the year broken down by operating, investing and financing activities, changes for the year in cash and cash equivalents as well as the Group's cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities

Cash flows from operating activities are calculated as the net profit/loss for the year adjusted for changes in working capital and non-cash operating items such as depreciation, amortisation and impairment losses, and provisions. Working capital comprises current assets less short-term debt excluding items included in cash and cash equivalents.

Cash flows from investing activities

Cash flows from investing activities comprise cash flows from acquisitions and disposals of intangible assets, property, plant and equipment as well as fixed asset investments.

Cash flows from financing activities

Cash flows from financing activities comprise cash flows from the raising and repayment of long-term debt as well as payments to and from shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise "Cash at bank and in hand" and "Overdraft facilities".

The cash flow statement cannot be immediately derived from the published financial records.

Financial Highlights

Explanation of financial ratios

Return on assets	Profit/loss of ordinary primary operations x 100 / Total assets at year end
Solvency ratio	Equity at year end x 100 / Total assets at year end
Return on equity	Net profit for the year x 100 / Average equity