

# **GNP Energy Danmark ApS**

Lottenborgvej 24

2800 Kongens Lyngby

CVR No. 37783838

## **Annual Report 2022**

7. financial year

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 18 July 2023

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Glenn Nøstdahl  
Chairman

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## **GNP Energy Danmark ApS**

### **Management's Statement**

#### **Statement by the Executive Board**

The Executive Board have today discussed and approved the annual report of GNP Energy Denmark ApS for the financial year 1. January – 31. December 2022.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

It is our opinion that the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31. December 2022 and of the results of the Company's operations for the financial year 1. January – 31. December 2022.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the annual general meeting.

Copenhagen, 18 July 2023

#### **Executive Board**

Glenn Nøstdahl  
Manager

**Independent auditor's extended review report on the financial statements**

**To the shareholders of GNP Energy Danmark ApS**

**Conclusion**

We have performed an extended review of the financial statements of GNP Energy Danmark ApS for the financial year 1. January – 31. December 2022 comprising income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

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

**Basis of opinion**

We conducted our extended review in accordance with the Danish Business Authority's Assurance Standard for Small Enterprises and FSR Danish Auditors' standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibility for the extended review of the financial statements" section of our report.

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (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 evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Management's responsibility 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 that 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.

**The auditor's responsibility for the audit of the financial statements**

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

An extended review comprises procedures primarily consisting of making enquiries of Management and others within the entity, as appropriate, applying analytical procedures and the specifically required supplementary procedures, and evaluating the evidence obtained.

The procedures performed in an extended review are less than those performed in an audit, and accordingly, we do not express an audit opinion on these financial statements.

**GNP Energy Danmark ApS**

**Independent auditor's extended review report on the financial statements**

**Statement on the Management's review**

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our extended review of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements, or our knowledge obtained during the extended review, or otherwise appears to be materially misstated.

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

Based on the work we have performed, we conclude that the 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 the Management's review.

Aalborg, 18 July 2023

**KPMG**

**Statsautoriseret Revisionspartnerselskab**

CVR-no. 25578198

Steffen S. Hansen

State Authorised Public Accountant

mne32737

## GNP Energy Danmark ApS

### Company details

|                        |  |
|------------------------|--|
| <b>Company</b>         | GNP Energy Danmark ApS<br>Lottenborgvej 24<br>2800 Kongens Lyngby  |
| CVR No.                | 37783838   |
| Date of formation      | 1 June 2016  |
| Financial year         | 1 January 2022 - 31 December 2022  |
| <b>Executive Board</b> | Glenn Nøstdahl   |
| <b>Auditors</b>        | KPMG<br>Statsautoriseret Revisionspartnerselskab<br>Østre Havnegade 22D<br>9000 Aalborg<br>CVR-no.: 25578198 |

## **Management's review**

### **The Company's principal activities**

The Company's principal activities consist in trade of electricity, including participation in other companies with similar operations, and the purchase and sale of shares or otherwise make an interest in other companies.

### **Development in activities and the financial situation**

The Company's Income Statement of the financial year 1 January 2022 - 31 December 2022 shows a result of DKK -44.790.493 and the Balance Sheet at 31 December 2022 a balance sheet total of DKK 34.016.543 and an equity of DKK -72.512.337.

Via the parent company, future purchases of electricity are hedged. Settlement for this is received via the parent company. Per 31 December 2022, the value of all open hedging agreements is secured via counter-directed agreements. These contracts therefore no longer represent hedging and the value of open agreements has been recognized as income.

The negative results have led to liquidity challenges, which became particularly acute during 2022 due to the increase in prices and the extent of fixed price contracts for the supply of electricity. The company has changed or terminated customer contracts with prices that were either fixed or based on ceiling-price during the second half of 2022. The company has been given loans from its parent company and sister company in Norway to fund its operations and fulfil its financial obligations in 2022 and start of 2023. The parent company has provided letters of support to some of the main creditors of GNP Energy Danmark ApS.

Elify Energy Norge AS, the sole owner of GNP Energy Danmark ApS confirms that repayment of loans from group companies will not be done before GNP Energy Danmark ApS has liquidity to do so after fulfilling other financial obligations. This confirmation is valid for the period of at least 12 months from approving the annual report for 2022.

Management expects the Company to recover its equity through future operations. For the 5 months ending 31 May 2023 there are significant positive results, and the forecast for the next 12 months also shows positive results. There are also values related to the customer base and contracts that are not booked in the financial statements.

Based on the above assumptions, Management expects that the Company will be able to continue as a going concern and therefore presents the financial statements on a going concern basis.

### **Post financial year events**

Some electricity customers have made claims against GNP Energy Danmark ApS after the company and the customers did not come to an agreement on changes to contracts with fixed-price and ceiling-price at the end of 2022. In 2023, settlements were made with some of these. For other claims, either no further contact has been made or the company and its lawyers expect to win the case or settle without significant payments. An accounting provision has been made as of 31 December 2022 which covers expected claims including legal costs.

No further events have occurred since the balance sheet date that would materially affect the Group's financial position.

GNP Energy Danmark ApS

Income statement

|   | Note | 2022<br>kr.        | 2021<br>kr.        |
|---|------|--------------------|--------------------|
| <b>Gross profit</b>                               |      | <b>-52.886.164</b> | <b>-20.043.687</b> |
| Staff costs                                       | 1    | -1.002.080         | -1.779.936         |
| Amortisation and impairment losses                |      | -1.800             | -148.872           |
| <b>Profit from ordinary operating activities</b>  |      | <b>-53.890.044</b> | <b>-21.972.495</b> |
| Finance income                                    |      | 1.956.026          | 11                 |
| Financial expenses                                | 2    | -356.563           | -1.198.951         |
| <b>Profit from ordinary activities before tax</b> |      | <b>-52.290.581</b> | <b>-23.171.435</b> |
| Tax expense on ordinary activities                | 3    | 7.500.088          | 318.579            |
| <b>Profit</b>                                     |      | <b>-44.790.493</b> | <b>-22.852.856</b> |
| <b>Proposed distribution of results</b>           |      |                    |                    |
| Retained earnings                                 |      | -44.790.493        | -22.852.856        |
| <b>Distribution of profit</b>                     |      | <b>-44.790.493</b> | <b>-22.852.856</b> |



## Balance sheet as of 31 December

|                                  | Note | 2022<br>kr.       | 2021<br>kr.       |
|----------------------------------|------|-------------------|-------------------|
| <b>Assets</b>                    |      |                   |                   |
| Software                         | 4    | 0                 | 1.799             |
| <b>Intangible assets</b>         |      | <b>0</b>          | <b>1.799</b>      |
| Deposits                         |      | 3.533.788         | 48.000            |
| <b>Investments</b>               |      | <b>3.533.788</b>  | <b>48.000</b>     |
| <b>Fixed assets</b>              |      | <b>3.533.788</b>  | <b>49.799</b>     |
| Trade receivables                |      | 11.825.427        | 14.871.340        |
| Deferred tax asset               | 3    | 7.500.000         | 0                 |
| Tax receivables                  |      | 0                 | 44.000            |
| Other receivables                | 5    | 1.565.318         | 71.721            |
| Prepayments                      | 6    | 8.205.410         | 20.820.722        |
| <b>Receivables</b>               |      | <b>29.096.155</b> | <b>35.807.783</b> |
| <b>Cash and cash equivalents</b> |      | <b>1.386.600</b>  | <b>437.888</b>    |
| <b>Current assets</b>            |      | <b>30.482.755</b> | <b>36.245.671</b> |
| <b>Assets</b>                    |      | <b>34.016.543</b> | <b>36.295.470</b> |

## Balance sheet as of 31 December

|  | Note | 2022<br>kr.        | 2021<br>kr.        |
|--|------|--------------------|--------------------|
| <b>Liabilities and equity</b>                                |      |                    |                    |
| Contributed capital  |      | 500.000            | 500.000            |
| Retained earnings  |      | -73.012.337        | -28.221.843        |
| <b>Equity</b>  |      | <b>-72.512.337</b> | <b>-27.721.843</b> |
| Other provisions   | 7    | 7.591.400          | 2.000.000          |
| <b>Provisions</b>  |      | <b>7.591.400</b>   | <b>2.000.000</b>   |
| Trade payables   |      | 34.559.514         | 33.648.597         |
| Payables to group enterprises                                |      | 43.386.201         | 21.663.277         |
| Other payables   | 8    | 9.447.892          | 2.631.256          |
| Deferred income, liabilities                                 |      | 11.543.873         | 3.574.183          |
| Deposits, liabilities other than provisions                  |      | 0                  | 500.000            |
| <b>Liabilities other than provisions</b>                     |      | <b>98.937.480</b>  | <b>62.017.313</b>  |
| <b>Liabilities other than provisions within the business</b> |      | <b>98.937.480</b>  | <b>62.017.313</b>  |
| <b>Liabilities and equity</b>                                |      | <b>34.016.543</b>  | <b>36.295.470</b>  |
| Significant events occurring after end of reporting period   | 9    |                    |                    |
| Contingent liabilities                                       | 10   |                    |                    |
| Related parties  | 11   |                    |                    |

## Notes

|                             | <b>2022</b>      | <b>2021</b>      |
|-----------------------------|------------------|------------------|
| <b>1. Staff expenses</b>    |                  |                  |
| Wages and salaries          | 910.221          | 1.602.261        |
| Pension                     | 28.225           | 83.927           |
| Other social security costs | 8.437            | 12.634           |
| Other staff costs           | 55.197           | 81.114           |
|                             | <b>1.002.080</b> | <b>1.779.936</b> |

|                             |   |   |
|-----------------------------|---|---|
| Average number of employees | 1 | 2 |
|-----------------------------|---|---|

**2. Finance costs**

|  | <b>2022</b>    | <b>2021</b>      |
|--|----------------|------------------|
| Interest expenses, payables to group enterprises | 0              | 613.990          |
| Other financial costs                            | 356.563        | 584.961          |
|  | <b>356.563</b> | <b>1.198.951</b> |

**3. Tax expense**

|                           | <b>2022</b>      | <b>2021</b>    |
|---------------------------|------------------|----------------|
| Adjustment deferred tax   | 7.500.000        | 0              |
| Tax adjustment            | 0                | 39.115         |
| Adjustment previous years | 88               | 279.464        |
|                           | <b>7.500.088</b> | <b>318.579</b> |

Part of deferred tax asset has been recorded in the balance sheet based on expected positive results in the near future. The rest of the deferred tax asset is expected to be utilised, but is not recorded in the balance sheet because of uncertainty.

**4. Software**

|   | <b>2022</b>     | <b>2021</b>     |
|---|-----------------|-----------------|
| Cost at the beginning of the year             | 726.613         | 726.613         |
| <b>Cost at the end of the year</b>            | <b>726.613</b>  | <b>726.613</b>  |
| Amortisation at the beginning of the year     | -724.814        | -575.942        |
| Amortisation for the year                     | -1.799          | -148.872        |
| <b>Amortisation at the end of the year</b>    | <b>-726.613</b> | <b>-724.814</b> |
| <b>Carrying amount at the end of the year</b> | <b>0</b>        | <b>1.799</b>    |

**5. Other receivables**

|                   | <b>2022</b>      | <b>2021</b>   |
|-------------------|------------------|---------------|
| VAT receivable    | 1.357.991        | 0             |
| Other receivables | 207.327          | 71.721        |
|                   | <b>1.565.318</b> | <b>71.721</b> |

## Notes

### 6. Accrued income and prepayments

|  | <b>2022</b>      | <b>2021</b>       |
|--|------------------|-------------------|
| Accrued, not-invoiced income                 | 972.545          | 10.526.109        |
| Commission costs to sales agents and dealers | 7.200.000        | 10.270.547        |
| Other prepayments                            | 32.865           | 24.066            |
| <b>Balance at the end of the year</b>        | <b>8.205.410</b> | <b>20.820.722</b> |

### 7. Provisions for claims and losses

|  |                  |                  |
|--|------------------|------------------|
| Provision for losses on customer contracts | 2.591.400        | 2.000.000        |
| Provision for claims from customers        | 5.000.000        | 0                |
| <b>Balance at the end of the year</b>      | <b>7.591.400</b> | <b>2.000.000</b> |

Some electricity customers have made claims against GNP Energy Danmark ApS after the company and the customers did not come to an agreement on changes to contracts with fixed-price and ceiling-price at the end of 2022. In 2023, settlements were made with some of these. For other claims, either no further contact has been made or the company and its lawyers expect to win the case or settle without significant payments. An accounting provision has been made as of 31 December 2022 which covers expected claims including legal costs.

### 8. Other payables

|                                |                  |                  |
|--------------------------------|------------------|------------------|
| VAT loan                       | 9.447.892        | 0                |
| VAT payable                    | 0                | 2.369.535        |
| Other taxes and duties payable | 0                | 92.558           |
| Payables to employees          | 0                | 169.162          |
|                                | <b>9.447.892</b> | <b>2.631.255</b> |

### 9. Significant events occurring after end of reporting period

See comments regarding claims and losses in note 7.

No events have occurred since the balance sheet date that would materially affect the Group's financial position.

### 10. Contingent liabilities

The company have signed a contract for shared officespace i Copenhagen.

Said contract have a monthly obligation of t.DKK 10, and a termination period of 3 months.

Total liability is t.DKK 30.

### 11. Related parties

The following shareholders are registered in the Company's register of shareholders, who owns 100% of the share capital:

Elify Energy Norge AS  
Raveien 422, 3239 Sandefjord, Norway

The company is included in the consolidated financial statements for Morningside Group AB which is the ultimate parent company.

## **Accounting policies**

### **Reporting Class**

The annual report of GNP Energy Danmark ApS for 2022 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B with option from certain provisions applying to reporting class C entities.

The accounting policies applied remain unchanged from last year.

### **Reporting currency**

The annual report is presented in Danish kroner.

### **Foreign currency translation**

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

## **General information**

### **Basis of recognition and measurement**

Income is recognised in the income statement as it is earned, including value adjustments of financial assets and liabilities that are measured at fair value or amortized cost. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortization, 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 accrue 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 attributable to the asset will flow out of the Company, and the value of the liability can be measured reliably.

At initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the term. Amortised cost is calculated as original cost less repayments and with the addition/deduction of the accumulated amortisation of the difference between the cost and the nominal amount. This way, exchange losses and gains are allocated over the term.

In connection with recognition and measurement, consideration is given to predictable losses and risks occurring prior to the presentation of the Annual report, i.e. losses and risks which prove or disprove matters which exist at the balance sheet date.

## Accounting policies

### Income statement

#### Revenue

Income consists of revenue relates to sales of electricity. Income from delivery of services is recognised as revenue as the service is delivered. The Company collects payments from customers on behalf of grid companies. In that respect, the Company regards itself as an agent, and recognises these transactions on a net basis.

#### Cost of sales

Cost of sales comprises costs incurred to generate revenue for the year. This item also comprises direct costs for purchased electricity for resale and commission to sales agents.

#### Financial instruments

Via the parent company, future purchases of electricity are hedged by entering into various contracts in the financial electricity market. In the main, the contracts are entered into with purpose of securing the company's future purchase volume of electricity, and these are treated in accounting terms as a cash flow hedge. There is no ongoing accounting of changes in value of such contracts. Settlement of financial electricity contracts is done continuously at the end of each month. Settlement takes place as a differential settlement between the entered into contract price and Nordpool spot in the "day-ahead" market. Profit or loss on the hedging contract is accounted for as part of the company's cost of goods.

In cases where the company terminates a hedging contract before its ordinary expiry time, gain or loss on the hedging contract is booked as deferred income or prepaid cost at the time the contract is realized. Gain or loss on the hedging contract will be recognized as a correction to the cost of goods in the profit and loss statement in the period(s) for which the hedging applies. If the financial contracts no longer represent hedging, the value of such contracts is recognized as gain or loss.

#### Other external expenses

Other external expenses comprise expenses regarding sale and administration.

#### Staff expenses

Staff expenses comprise wages and salaries, pensions and social security costs.

#### Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts that concern the financial year. Financial income and expenses include interest income and expenses, realised and unrealised capital gains and losses regarding securities, debt and foreign currency transactions, amortisation of financial assets and liabilities as well as surcharges and allowances under the tax repayment scheme.

#### Tax on net profit/loss for the year

Tax on net profit/loss for the year comprises current tax on expected taxable income of the year and the year's adjustment of deferred tax less the part of the tax of the year that relates to changes in equity. Current and deferred tax regarding changes in equity is recognised directly in equity.

### Balance sheet

#### Intangible assets

Clearly defined and identifiable development projects where the technical rate of utilisation, sufficient resources and a potential future market or development potential in the Company are provable and where the intention is to manufacture, market or use the product or process are recognised as intangible assets if the value in use can be determined reliably and it is sufficiently certain that future earnings can cover production, sales and administration costs as well as total development costs.

Other development costs are recognised as costs in the Income Statement as they incur.

## **Accounting policies**

Development costs are calculated at the costs directly incurred and a share of the costs attributable to the individual development projects.

### **Software**

Software is measured at cost less accumulated amortisation and impairment losses.

The basis of amortisation is cost less any projected residual value after the end of the useful life. Amortisation is provided on a straight-line basis over the estimated useful life. The estimated useful lives 3 years.

Gains and losses on the disposal of intangible assets are determined as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement as other operating income or other operating costs, respectively.

### **Impairment of fixed assets**

The carrying amount of intangible assets, property, plant and equipment and financial fixed assets is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

The recoverable amount is the higher of an asset's net selling price and its value in use. The value in use is determined as the present value of the forecast net cash flows from the use of the asset or the group of assets, including forecast net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised write-downs are reversed when the basis for the write-down no longer exists.

### **Leases**

All leases are considered operating leases. Payments relating to operating leases and other leases are recognised in the income statement over the term of the lease. The Company's total obligation relating to operating leases and other leases is disclosed as contractual obligations and contingencies, etc.

### **Deposits**

Deposits are measured at cost.

### **Receivables**

Receivables are measured at amortized cost which usually corresponds to the nominal value. The value is reduced by write-downs for expected bad debts.

### **Prepayments**

Prepayments recognised in assets comprises prepaid costs regarding subsequent financial years.

### **Accrued income, assets**

Accrued income recognised in assets comprises prepaid costs regarding subsequent financial years.

### **Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and in hand.

### **Financial liabilities**

Liabilities are measured at amortised cost which usually corresponds to the nominal value.

### **Equity**

Equity comprises the share capital and equity items that may be statutory or stipulated in the articles of association. Equity also includes retained earnings or accumulated losses.

## Accounting policies

### Provisions

Provisions comprise expected costs of warranty commitments, loss on work in progress, restructuring, etc. Provisions are recognised when the Company has a legal or actual obligation as a result of a past event, and it is likely that settlement will result in the Company spending financial resources.

Provisions are measured at capital value.

### Deferred tax

Deferred tax and the associated adjustments for the year are determined according to the liability method as the tax base of all temporary differences between carrying amounts and the tax bases of assets and liabilities.

Deferred tax assets, including the tax base of tax losses allowed for carryforward, are recognised at the value at which they are expected to be used, either by elimination in tax on future earnings or by set-off against deferred tax liabilities in enterprises within the same legal entity and jurisdiction.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation applicable at the balance sheet date when the deferred tax is expected to crystallize as current tax.

### Other payables

Other payables are measured at amortized cost, which usually corresponds to the nominal value.

### Accruals and deferred income entered as liabilities

Accruals and deferred income entered as liabilities consist of payments received regarding income in the subsequent financial years.