NPP Renewables ApS

Sommervej 31B, 2. , 8210 Aarhus V

CVR no. 41 13 72 90

Annual report 2023

Approved at the Company's annual general meeting on 30 April 2024

Chair of the meeting:

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Øyvind Engesrønning

Contents

Statement by Management

The Board of Directors and the Executive Board have today discussed and approved the annual report of NPP Renewables ApS for the financial year 1 January – 31 December 2023.

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

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 their operations and consolidated cash flows for the financial year 1 January – 31 December 2023.

Further, in our opinion, the Management's review gives a fair review of the development in the Group's and the Parent Company's operations and financial matters, the results for the year and the Group's and the Parent Company's financial position.

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

Aarhus, 30 April 2024
Executive Board:

Thomas Langkjær Gellert	Tonni Vozny Bager

Board of Directors:

Øyvind Engesrønning Chair	Nicholas Andrew Emery	Tonni Vozny Bager
Lars Bo Petersen	Thomas Langkjær Gellert	Peter Vestergaard Forsberg
Robert Philip Brown		

Independent auditor's report

To the shareholders of NPP Renewables ApS

Opinion

We have audited the consolidated financial statements and the parent company financial statements of NPP Renewables ApS for the financial year 1 January – 31 December 2023, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies, for the Group and the Parent Company, and a consolidated cash flow statement. The consolidated financial statements and the parent company financial statements are prepared in accordance with the Danish Financial Statements Act.

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 as well as the consolidated cash flows for the financial year 1 January – 31 December 2023 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements and the parent company financial statements" (hereinafter collectively referred to as "the financial statements") section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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.

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. Moreover, Management is responsible 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.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to 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 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 the financial statements.

Independent auditor's report

As part of an audit conducted in accordance with ISAs and 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 note 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.

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 audit 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 audit, 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.

Independent auditor's report

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 of the Management's review.

Odense, 30 April 2024
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Morten Schougaard Sørensen State Authorised Public Accountant mne32129	Kasper Kortegaard State Authorised Public Accountant mne47798

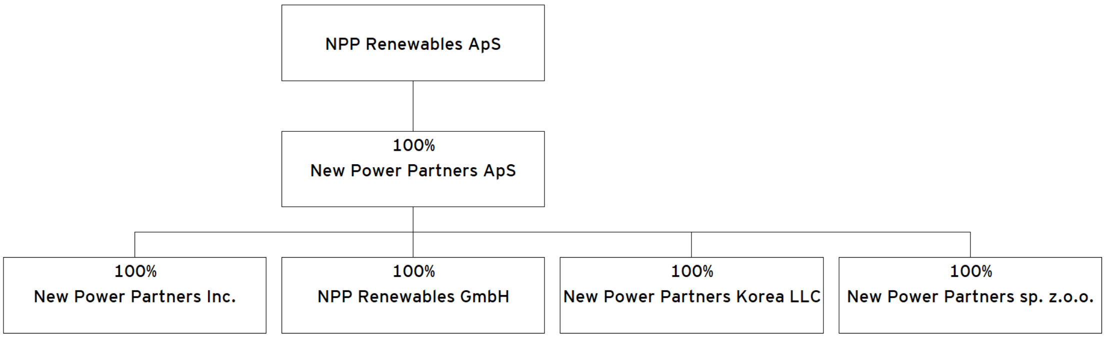
Management's review

Company details

Name	NPP Renewables ApS
Address, postal code, city	Sommervej 31B, 2., 8210 Aarhus V
CVR no.	41 13 72 90
Established	31 January 2020
Registered office	Aarhus kommune
Financial year	1 January – 31 December
Board of Directors	Øyvind Engesrønning, Chair Nicholas Andrew Emery Tonni Vozny Bager Lars Bo Petersen Thomas Langkjær Gellert Peter Vestergaard Forsberg Robert Philip Brown
Executive Board	Thomas Langkjær Gellert Tonni Vozny Bager
Auditors	EY Godkendt Revisionspartnerselskab Cortex Park Vest 3, 5230 Odense M, Denmark

Management's review

Group chart



The Group operates two branches in Taiwan and one in Norway, in additions to the companies shown in the Group chart.

Management's review

Financial highlights for the Group

DKK'000	2023	2022	2021
Key figures			
Gross profit/loss	117,453	87,504	64,481
Operating profit/loss	18,385	18,071	13,763
Net financials	-1,290	-366	-749
Profit/loss for the year	13,473	13,743	9,924
Balance sheet total	53,853	46,339	35,706
Investments in property, plant and equipment	734	1,554	0
Equity	29,451	27,118	13,357
Cash flows from operating activities	13,154	9,544	6,210
Cash flows from investing activities	-2,017	-951	-809
Cash flows from financing activities	-11,000	-5,000	-5,088
Total cash flows	137	3,592	313
Financial ratios			
Current ratio	213%	230%	150%
Equity ratio	55%	59%	37%
Average number of full-time employees	110	65	53

The financial ratios stated under "Financial highlights" have been calculated as follows:

Current ratio $$\frac{\text{Current assets x 100}}{\text{Current liabilities}}$$

Equity ratio $$\frac{\text{Equity ex. non-controlling interests at year end x 100}}{\text{Total equity and liabilities at year end}}$$

Management's review

Operating review

Business review

The main activity of the Group and the parent company is consulting along with other associated activities within the renewables industry.

Reference is made to the company's group overview page 7 regarding the composition of the group. The Group operates two branches in Taiwan and one in Norway, in additions to the companies shown in the Group chart.

Financial review

The income statement for 2023 shows a profit of DKK 13,473 thousand against a profit of DKK 13,743 thousand last year, and the balance sheet at 31 December 2023 shows an equity of DKK 29,451 thousand.

Profit/loss for the year compared to previously announced expectations

The group management expected a gross profit in the range DKK 120,000-130,000 thousand and a profit before tax in the range DKK 15,000-20,000 thousand in 2023.

The realized level of gross profit is lower than expected. The expectations on profit before tax is met.

Management considers the result for the year satisfactory.

Outlook

The group expects a gross profit in 2024 in the range DKK 120,000-130,000 thousand and a profit before tax in the range DKK 12,000-18,000 thousand.

Risks

General business risks

The Group operates globally in the renewables industry and is dependent on the ongoing green transition.

Financial risks and use of financial instruments

Currency risks

The main revenue streams are primary in EUR and the cost base is in EUR, DKK, TWD and USD. The Group is therefore to some extend exposed to currency risk.

The Group carries out an ongoing monitoring of development in currencies and currency exposure.

Credit risks

The Group's exposure to credit risk arises from the company's operating activities in the form of receivables from sales. The maximum credit risk corresponds to the accounting value of receivables from sales.

Impact on the external environment

The Group operates globally in the renewables industry and is dependent on the ongoing green transition. Because of global distances the company are dependent on transportation such as air traffic, cars etc. There will also be an impact on electricity, heating, and cooling of our global offices.

As a group, we are responsible for minimizing the negative environmental impact from our daily operations such as minimizing use of air traffic and instead using virtual meeting as much as possible and flexible work places.

Knowledge resources

The Group focuses on recruiting, training and retaining employees with the necessary skills, competences and knowledge of the group's activities and markets.

Consolidated financial statements and parent company financial statements 1 January – 31 December

Income statement

		Group		Parent Company	
Note	DKK	2023	2022	2023	2022
	Gross profit/loss	117,452,833	87,503,640	-43,005	-258,730
3	Staff costs	-97,882,993	-68,973,844	0	0
	Depreciation	-1,184,965	-459,018	0	0
	Profit before net financials	18,384,875	18,070,778	-43,005	-258,730
	Income from investments in group enterprises	0	0	13,555,435	13,987,505
	Financial income	1,734,584	2,541,721	946	38,673
	Financial expenses	-3,024,535	-2,908,093	-49,986	-72,933
	Profit/loss before tax	17,094,924	17,704,406	13,463,390	13,694,515
4	Tax for the year	-3,621,744	-3,961,392	9,790	48,499
5	Profit/loss for the year	13,473,180	13,743,014	13,473,180	13,743,014

Consolidated financial statements and parent company financial statements 1 January – 31 December

Balance sheet

		Group		Parent Company	
Note	DKK	2023	2022	2023	2022
	ASSETS				
	Fixed assets				
6	Intangible assets				
	Goodwill	488,295	813,845	0	0
	Development costs in progress	1,256,903	0	0	0
		1,745,198	813,845	0	0
7	Property, plant and equipment				
	Fixtures and fittings, tools and equipment	1,029,219	852,429	0	0
	Leasehold improvements	287,329	589,762	0	0
		1,316,548	1,442,191	0	0
8	Financial assets				
	Investments in group enterprises	0	0	41,251,148	27,835,821
	Deposit	304,012	277,544	0	0
		304,012	277,544	41,251,148	27,835,821
	Total fixed assets	3,365,758	2,533,580	41,251,148	27,835,821
	Non-fixed assets				
	Receivables				
	Trade receivables	20,725,374	24,442,516	0	0
	Construction contracts	9,662,195	1,776,642	0	0
	Receivables from group entities	0	0	0	1,163,742
	Corporation tax receivable	0	0	5,106	0
	Joint taxation contribution receivable	0	0	226,684	1,174,944
9	Other receivables	3,754,882	2,918,513	0	0
10	Prepayments	2,265,994	601,564	0	0
		36,408,445	29,739,235	231,790	2,338,686
	Cash	14,078,776	14,066,353	39,943	41,116
	Total non-fixed assets	50,487,221	43,805,588	271,733	2,379,802
	TOTAL ASSETS	53,852,979	46,339,168	41,522,881	30,215,623

Consolidated financial statements and parent company financial statements 1 January – 31 December

Balance sheet

		Group		Parent Company	
Note	DKK	2023	2022	2023	2022
	EQUITY AND LIABILITIES				
	Equity				
	Share capital	108,661	108,661	108,661	108,661
	Net revaluation reserve according to the equity method	0	0	17,308,856	14,593,529
	Foreign currency translation reserve	-92,027	48,081	0	0
	Retained earnings	18,734,486	15,961,306	1,333,603	1,415,858
	Proposed dividend	10,700,000	11,000,000	10,700,000	11,000,000
	Total equity	29,451,120	27,118,048	29,451,120	27,118,048
	Provisions				
11	Deferred tax	667,036	159,895	0	0
	Total provisions	667,036	159,895	0	0
	Current liabilities				
	Bank debt	692,248	816,628	0	0
	Prepayments received from customers	103,095	0	0	0
	Construction contracts	563,527	1,010,215	0	0
	Trade payables	6,703,130	2,732,488	81,618	0
	Payables to group entities	0	0	11,990,143	1,147,289
	Corporation tax	1,084,026	3,564,523	0	1,800,193
12	Other payables	14,588,797	10,937,371	0	150,093
		23,734,823	19,061,225	12,071,761	3,097,575
	Total liabilities other than provisions	23,734,823	19,061,225	12,071,761	3,097,575
	TOTAL EQUITY AND LIABILITIES	53,852,979	46,339,168	41,522,881	30,215,623

1 Accounting policies
2 Events after the balance sheet date
5 Distribution of profit/loss
13 Contractual obligations and contingencies, etc.
14 Collateral
15 Related parties

Consolidated financial statements and parent company financial statements 1 January – 31 December

Statement of changes in equity

		Group				
Note	DKK	Share capital	Foreign currency translation reserve	Retained earnings	Proposed dividend	Total
	Equity at 1 January 2023	108,661	48,081	15,961,306	11,000,000	27,118,048
5	Transferred; see distribution of profit/loss	0	0	2,773,180	10,700,000	13,473,180
	Foreign exchange adjustments of foreign group entities	0	-140,108	0	0	-140,108
	Dividend distributed	0	0	0	-11,000,000	-11,000,000
	Equity at 31 December 2023	108,661	-92,027	18,734,486	10,700,000	29,451,120

Consolidated financial statements and parent company financial statements 1 January – 31 December

Statement of changes in equity

		Parent Company				
Note	DKK	Share capital	Net revaluation reserve according to the equity method	Retained earnings	Proposed dividend	Total
	Equity at 1 January 2023	108,661	14,593,529	1,415,858	11,000,000	27,118,048
5	Transfer through appropriation of profit	0	13,555,435	-10,782,255	10,700,000	13,473,180
	Adjustment of investments through foreign exchange adjustments	0	-140,108	0	0	-140,108
	Distributed dividend from group enterprises	0	-10,700,000	10,700,000	0	0
	Dividend distributed	0	0	0	-11,000,000	-11,000,000
	Equity at 31 December 2023	108,661	17,308,856	1,333,603	10,700,000	29,451,120

No funds relating to dividends expected to be received from the group entities are tied up in the net revaluation reserve according to the equity method as the Company applies a principle where no funds relating to dividends expected to be received from the group entities are tied up in the net revaluation reserve (in Danish: samtidighedsprincippet) according to which expected dividends are transferred from the net revaluation reserve to retained earnings under equity.

Consolidated financial statements and parent company financial statements 1 January – 31 December

Cash flow statement

Note	DKK	Group 2023	Group 2022
	Profit/loss before net financials	18,384,875	18,070,778
	Depreciation and amortisation	1,184,965	459,018
	Cash generated from operations before changes in working capital	19,569,840	18,529,796
16	Changes in working capital	469,156	-6,177,516
	Cash generated from operations	20,038,996	12,352,280
	Interest received	1,734,584	2,548,330
	Interest paid	-3,024,535	-2,814,702
	Corporation tax paid	-5,595,070	-2,542,406
	Cash flows from operating activities	13,153,975	9,543,502
	Acquisition of intangible assets	-1,256,903	0
	Acquisition of property, plant and equipment	-733,800	-1,544,039
	Acquisition of deposits	-127,262	0
	Disposal of deposits	100,794	492,937
	Disposal of securities	0	100,000
	Cash flows from investing activities	-2,017,171	-951,102
	Shareholders:		
	Distributed dividend	-11,000,000	-5,000,000
	Cash flows from financing activities	-11,000,000	-5,000,000
	Cash flows for the year	136,804	3,592,400
	Cash and cash equivalents, beginning of year	13,249,724	9,657,324
17	Cash and cash equivalents, year end	13,386,528	13,249,724

The cash flow statement cannot be directly derived from the other components of the consolidated financial statements.

Consolidated financial statements and parent company financial statements 1 January – 31 December

Notes

1 Accounting policies

The annual report of NPP Renewables ApS for 2023 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to medium reporting class C entities.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

There have been some reclassifications in the income statement and balance sheet for 2022. Total assets and equity are unaffected. Financial highlights and Cash flow statement are affected due to the reclassifications.

Presentation currency

The financial statements are presented in Danish Kroner (DKK).

Consolidated financial statements

Control

The consolidated financial statements comprise the Parent Company NPP Renewables ApS and group entities controlled by NPP Renewables ApS.

Control means the power to exercise decisive influence over a group entity's financial and operating decisions. Moreover, the possibility of yielding a return from the investment is required.

In assessing whether the Parent Company controls an entity, de facto control is also taken into consideration.

The existence of potential voting rights that may currently be exercised or converted into additional voting rights is considered when assessing whether an entity may become empowered to exercise decisive influence over another entity's financial and operating decisions.

Preparation of consolidated financial statements

The consolidated financial statements are prepared as a consolidation of the Parent Company's and the individual group entities' financial statements, which are prepared according to the Group's accounting policies. On consolidation, intra-group income and expenses, shareholdings, intra-group balances and dividends as well as realised and unrealised gains on intra-group transactions are eliminated. Unrealised gains on transactions with associates and equity interests are eliminated in proportion to the Group's ownership interest in the entity. Unrealised losses are eliminated in the same way as unrealised gains unless they do not reflect impairment.

The group entities' financial statement items are included 100% in the consolidated financial statements. Non-controlling interests' share of the profit/loss for the year and of the equity of group entities that are not wholly-owned are included in the Group's profit/loss and equity, respectively, but are presented separately.

Acquisitions and disposals of non-controlling interests that are still controlled are recognised directly in equity as a transaction between shareholders.

Equity investments in associates, participating interests and joint ventures are recognised in the consolidated financial statements using the equity method.

The Group's activities in joint operations are recognised in the consolidated financial statements on a line-by-line basis.

Consolidated financial statements and parent company financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

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.

Foreign group entities, associates and equity interests are considered separate entities. The income statements are translated at the average exchange rates for the month, and the balance sheet items are translated at the exchange rates at the balance sheet date. Foreign exchange differences arising on translation of the opening equity of foreign group entities at the exchange rates at the balance sheet date and on translation of the income statements from average exchange rates to the exchange rates at the balance sheet date are recognised directly in equity.

Foreign exchange adjustments of balances with independent foreign group entities that are considered part of the total net investment in the group entity are recognised directly in the translation reserve under equity. Correspondingly, foreign exchange gains and losses on loans and derivative financial instruments hedging net investments in foreign group entities are recognised directly in the translation reserve under equity.

On translation of foreign group entities that are integral entities, monetary items are recognised at the exchange rates at the balance sheet date. Non-monetary items are recognised at the exchange rates at the acquisition date or at the date of any subsequent revaluation or impairment of the asset. Income statement items are translated at the exchange rates at the transaction date, although items derived from non-monetary items are translated at the historical exchange rates applying to the non-monetary items.

Income statement

Revenue

The Group has chosen IAS 11/IAS 18 as interpretation for revenue recognition.

Income from the rendering of services is recognised as revenue as the services are rendered. Accordingly, revenue corresponds to the market value of the services rendered during the year (percentage-of-completion method).

Revenue is measured at the fair value of the agreed consideration exclusive of VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

Gross profit

The items revenue, cost of sales, work performed for own account and capitalised, other operating income and external expenses have been aggregated into one item in the income statement called gross profit in accordance with section 32 of the Danish Financial Statements Act.

Cost of sales

Cost of sales includes the cost of goods used in generating the year's revenue.

Consolidated financial statements and parent company financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Income statement

Other operating income

Other operating income comprise items of a secondary nature relative to the Company's core activities, including gains on the sale of fixed assets.

Other external expenses

Other external expenses include the year's expenses relating to the entity's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Staff cost

Staff costs include wages and salaries, including compensated absence and pension to the Company's employee, as well as other social security contributions, etc. The item is net for refunds from public authorities.

Amortisation/depreciation

The item comprises amortisation/depreciation of intangible assets and property, plant and equipment.

The basis of amortisation/depreciation, which is calculated as cost less any residual value, is amortised/depreciated on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Acquired intangible assets	3-5 years
Other fixtures and fittings, tools and equipment	2-5 years
Leasehold improvements	2-5 years

Income from equity investments in group entities

The proportionate share of the results of the underlying entities is recognised in the income statement after elimination of intra-group profit/loss and after tax. Group entities are subject to full elimination of intra-group profit/loss and ownership interests are not considered. Participating interests and associates are subject only to proportionate elimination of profit/loss taking into consideration ownership interests.

The proportionate share of the results after tax of the individual group entities is recognised in the income statement of the Parent Company after full elimination of intra-group profits/losses.

The proportionate share of the results after tax of the associates and equity interests is recognised in both the consolidated and the parent company income statement after elimination of the proportionate share of intra-group profits/gains.

Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

Consolidated financial statements and parent company financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Tax for the year

The Parent Company is subject to the Danish rules on compulsory joint taxation of the Group's Danish group entities. Group entities are included in the joint taxation arrangement from the date when they are included in the consolidated financial statements and up to the date when they are excluded from the consolidation.

The Parent Company acts as administration company for the joint taxation arrangement and consequently settles all corporate income tax payments with the tax authorities.

On payment of joint taxation contributions, the Danish corporation tax charge is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have been able to use the tax losses to reduce their own taxable income.

Tax for the year comprises current income tax, joint taxation contribution and changes in deferred tax for the year due to changes in the tax rate. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts recognised directly in equity is recognised directly in equity.

Balance sheet

Intangible assets

On initial recognition, intangible assets are measured at cost.

Amortisation is made over the estimated economic life without the determination of a residual value.

Goodwill

Goodwill is amortised over the expected economic life of the asset, measured by reference to Management's experience in the individual business segments. Goodwill is amortised on a straight-line basis over the amortisation period, which is 5 years. The amortisation period is fixed on the basis of the expected repayment horizon and is longest for strategically acquired entities with strong market positions and long-term earnings profiles.

Development costs

Development costs comprise expenses, salaries and amortisation directly or indirectly attributable to development activities.

Development projects that are clearly defined and identifiable, where the technical feasibility, sufficient resources and a potential future market or development opportunities are identifiable and where the Company intends to produce, market or use the project, are recognised as intangible assets provided that the cost can be measured reliably and that there is sufficient assurance that future earnings can cover production costs, selling costs and administrative expenses and development costs. Other development costs are recognised in the income statement as incurred.

Development costs that are recognised in the balance sheet are measured at cost less accumulated amortisation and impairment losses.

Consolidated financial statements and parent company financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Balance sheet

Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

Gains or losses are calculated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating expenses.

Equity investments in group entities

Equity investments in group entities are measured according to the equity method in the parent company financial statements. The Parent Company has chosen to consider the equity method a measurement method.

On initial recognition, equity investments in group entities are measured at cost, i.e. plus transaction costs. The cost is allocated in accordance with the acquisition method; see the accounting policies regarding the consolidated financial statements above.

The cost is adjusted by shares of profit/loss after tax calculated in accordance with the Group's accounting policies less or plus unrealised intra-group gains/losses.

Identified increases in value and goodwill, if any, compared to the underlying entity's net asset value are amortised in accordance with the accounting policies in the consolidated financial statements. Negative goodwill is recognised in the income statement.

Dividend received is deducted from the carrying amount.

Equity investments in group entities measured at net asset value are subject to impairment test requirements if there is any indication of impairment.

Net revaluation of equity investments is recognised under equity in the net revaluation reserve according to the equity method to the extent that the carrying amount exceeds cost.

Deposits

Deposits consist of leasehold deposits and are measured at cost price.

Impairment of fixed assets

The carrying amount of intangible assets, property, plant and equipment and equity investments in group entities is tested annually for indication of impairment other than the decrease in value reflected by amortisation/depreciation made.

An impairment test is conducted on individual assets or cash-generating units when there is indication of impairment. Write-down is made to the lower of the recoverable amount and carrying amount.

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

Consolidated financial statements and parent company financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Receivables

Receivables are measured at amortised cost.

The Company has chosen IAS 39 as interpretation for impairment write-down of financial receivables.

Write-down for bad and doubtful debts is made when there is objective evidence that a receivable or a portfolio of receivables has been impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Receivables in respect of which there is no objective evidence of individual impairment are tested for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the country of domicile and credit ratings of the debtors in accordance with the credit risk management policy of the Parent Company and the Group. The objective evidence applied to portfolios is determined based on historical loss experience.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate of the individual receivable or portfolio is used as discount rate.

Contract assets

Construction contracts are measured at the selling price of the work performed. The selling price is measured by reference to the stage of completion at the balance sheet date and the total expected income from the relevant contract.

When the selling price of a construction contract cannot be measured reliably, the selling price is measured at the lower of costs incurred and net realisable value.

Individual construction contracts are recognised in the balance sheet as either contract assets or contract liabilities. Net assets are determined as the sum of construction contracts where the selling price of the work performed exceeds payments received on account. Net liabilities are determined as the sum of construction contracts where payments received on account exceed the selling price.

Selling costs and costs incurred in securing contracts are recognised in the income statement when incurred.

Payments received regarding later delivery of goods and services are also presented as contract liabilities.

Prepayments

Prepayments comprise costs incurred concerning subsequent financial years.

Securities and investments

Securities and investments consisting in listed shares and bonds are measured at fair value (market price) at the balance sheet date.

Securities and investments consisting of non-listed shares and bonds are measured at cost price less impairment if the cost price exceeds the market value.

Cash

Cash comprise cash and short term securities which are readily convertible into cash and subject only to minor risks of changes in value.

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Notes

1 Accounting policies (continued)

Leases

The Company has chosen IAS 17 as interpretation for classification and recognition of leases.

Leases that do not transfer substantially all the risks and rewards incident to the ownership to the Company are classified as operating leases. Payments relating to operating leases and any other rent agreements are recognised in the income statement over the term of the lease. The Company's aggregate liabilities relating to operating leases and other rent agreements are disclosed under "Contingent liabilities".

Equity

Net revaluation reserve according to the equity method

Net revaluation of equity investments in group entities and associates and participating interests is recognised at cost in the net revaluation reserve according to the equity method.

The reserve can be eliminated in case of losses, realisation of equity investments or changes in accounting estimates.

The reserve cannot be recognised at a negative amount.

Translation reserve

The translation reserve comprises the share of foreign exchange differences arising on translation of financial statements of entities that have a functional currency other than DKK, foreign exchange adjustments of assets and liabilities considered part of the Company's net investments in such entities and foreign exchange adjustments regarding hedging transactions that hedge the Company's net investments in such entities. The reserve is dissolved on the sale of foreign entities or if the conditions for effective hedging no longer exist. When equity investments in subsidiaries and associates in the parent company financial statements are subject to the limitation requirement in the net revaluation reserve according to the equity method, foreign exchange adjustments will be included in this equity reserve instead.

Proposed dividend

Proposed dividend is recognised as a liability at the date when it is adopted at the annual general meeting (declaration date). Dividend expected to be distributed for the year is presented as a separate line item in equity.

Prepayments received from customers

Prepayments received from customers include deferred revenue where payment has been received for subsequent sales of goods and services where delivery has not yet taken place.

Liabilities

The Company has chosen IAS 39 as interpretation for liabilities.

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. On subsequent recognition, financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan. Financial liabilities also include the capitalised residual lease liability in respect of finance leases.

Other liabilities are measured at net realisable value.

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Notes

1 Accounting policies (continued)

Corporation tax and deferred tax

Current tax payables and receivables are recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on taxable income in previous years and tax paid on account.

Joint taxation contributions payable and receivable are recognised in the balance sheet as corporation tax receivable or corporation tax payable.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to non-deductible goodwill and on office premises and other items where temporary differences – apart from acquisitions – arise at the acquisition date without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax assets, including the tax value of tax loss carry forwards, are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity and jurisdiction.

Adjustment is made to deferred tax resulting from elimination of unrealised intra-group profits and losses.

Deferred tax is measured according to the tax rules and at the tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallise as current tax.

Cash flow statement

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

The cash flow effect of acquisitions and disposals of entities is shown separately in cash flows from investing activities. Cash flows from acquisitions of entities are recognised in the cash flow statement from the date of acquisition. Cash flows from disposals of entities are recognised up until the date of disposal.

Cash flows from operating activities

Cash flows from operating activities are calculated as the Group's share of the profit/loss adjusted for non-cash operating items, changes in working capital, interest received and paid as well as corporation tax paid. Interest received is classified as cash flows from operating activities. Furthermore, dividends received are classified as operating activity.

Cash flows from investing activities

Cash flows from investing activities comprise payments in connection with acquisitions and disposals of entities, activities and intangible assets, property, plant and equipment and investments. Dividends received regarding securities are also considered investing activities.

Cash flows from financing activities

Cash flows from financing activities comprise changes in the size or composition of the Group's share capital and related costs as well as the raising of loans, repayment of interest-bearing debt and payment of dividend to shareholders.

Consolidated financial statements and parent company financial statements 1 January – 31 December

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2 Events after the balance sheet date

No events materially affecting the Group and the Company's financial position have occurred subsequent to the financial year-end.

		Group		Parent Company	
	DKK	2023	2022	2023	2022
3	**Staff costs**				
	Wages and salaries	89,025,809	64,555,618	0	0
	Pensions	4,689,461	2,827,692	0	0
	Other social security costs	412,848	101,896	0	0
	Other staff costs	3,754,875	1,488,638	0	0
		97,882,993	68,973,844	0	0
	Average number of full-time employees	110	65	0	0

Group

Staff costs include remuneration of the Parent Company's Executive Board totalling DKK 2,838 thousand (2022: DKK 3,960 thousand). No remuneration has been paid to the Board of Directors in 2022 and 2023.

Parent

No remuneration is paid to Parent Management in the Parent Company.

		Group		Parent Company	
	DKK	2023	2022	2023	2022
4	**Tax for the year**				
	Current tax for the year	3,252,180	3,823,030	-9,790	-48,499
	Tax adjustments, prior years	-137,577	0	0	0
	Deferred tax adjustment for the year	507,141	138,362	0	0
		3,621,744	3,961,392	-9,790	-48,499
5	**Distribution of profit/loss**				
	Proposed distribution of profit/loss				
	Proposed dividend	10,700,000	11,000,000	10,700,000	11,000,000
	Net revaluation reserve according to the equity method	0	0	13,555,435	13,987,505
	Retained earnings/accumulated loss	2,773,180	2,743,014	-10,782,255	-11,244,491
		13,473,180	13,743,014	13,473,180	13,743,014

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6 Intangible assets

	Group		
DKK	Goodwill	Development projects in progress	Total
Cost at 1 January 2023	1,627,670	0	1,627,670
Additions	0	1,256,903	1,256,903
Cost at 31 December 2023	1,627,670	1,256,903	2,884,573
Impairment losses and amortisation at 1 January 2023	813,845	0	813,845
Depreciation and amortisation	325,530	0	325,530
Impairment losses and amortisation at 31 December 2023	1,139,375	0	1,139,375
Carrying amount at 31 December 2023	488,295	1,256,903	1,745,198
Amortised over	5 years	3 years	

Development projects in progress

Development projects in progress include internally generated projects. The relating expenses primarily consist of internal expenses in the form of direct payroll costs, which are recorded through internal project modules. The carrying amount totalled DKK 1,257 thousand at 31 December 2023. The development of the system is expected to be finalised in 2024.

Management expects the projects will lead to increased efficiency in resource management and tendering processes and thereby give competitive advantages.

7 Property, plant and equipment

	Group		
DKK	Fixtures and fittings, tools and equipment	Leasehold improvements	Total
Cost at 1 January 2023	953,207	684,488	1,637,695
Additions	733,800	0	733,800
Cost at 31 December 2023	1,687,007	684,488	2,371,495
Impairment losses and depreciation at 1 January 2023	100,778	94,726	195,504
Depreciation and amortisation	557,010	302,433	859,443
Impairment losses and depreciation at 31 December 2023	657,788	397,159	1,054,947
Carrying amount at 31 December 2023	1,029,219	287,329	1,316,548
Amortised over	2-5 years	2-5 years	

Consolidated financial statements and parent company financial statements 1 January – 31 December

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8 Financial assets

DKK	Group Deposit
Cost at 1 January 2023	277,544
Additions	127,262
Disposals	-100,794
Cost at 31 December 2023	304,012
Carrying amount at 31 December 2023	304,012

DKK	Parent Company Investments in group enterprises
Cost at 1 January 2023	13,242,292
Cost at 31 December 2023	13,242,292
Value adjustments at 1 January 2023	14,593,529
Foreign exchange adjustments	-140,108
Profit/loss for the year	13,880,965
Amortisation of goodwill for the year	-325,530
Value adjustments at 31 December 2023	28,008,856
Carrying amount at 31 December 2023	41,251,148

Investment in group entities includes goodwill with the amount of DKK 1,628 thousand which is amortised over 5 years. The book value as at 31 December 2023 amounts to DKK 488 thousand.

Parent Company

Group enterprises

Name and registered office	Domicile	Voting rights and ownership
New Power Partners ApS	Denmark	100%

9 Other receivables

Other receivables consist primary of deposits related to operating activities.

10 Prepayments

Prepayments contain prepaid costs relating to the following financial year.

	Group		Parent Company	
DKK	2023	2022	2023	2022
11 Deferred tax				
Deferred tax at 1 January	159,895	21,533	0	0
Deferred tax adjustment for the year	507,141	138,362	0	0
Deferred tax at 31 December	667,036	159,895	0	0

Consolidated financial statements and parent company financial statements 1 January – 31 December

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12 Other payables

Group

Other payables consist primary of liabilities due to VAT, deposits and payroll liabilities.

13 Contractual obligations and contingencies, etc.

Other contingent liabilities

Group

The Group has a notice period of 2-9 month according to lease agreements which corresponds to DKK 135 thousand.

The Group has entered into rental contracts which has a notice period of 3-10 months according to the agreements which corresponds to DKK 645 thousand.

Parent Company

The Parent Company is jointly taxed with its Danish group entities. As administration company, the Company has unlimited joint and several liability, together with the group entities, for payment of Danish corporation taxes and withholding taxes on dividends, interest and royalties within the joint taxation group.

14 Collateral

Group

The Group has issued floating charge of a total amount of DKK 10,000 thousand secured on goodwill, inventories, property, plant and equipment and trade receivables. The total carrying amount of these assets is DKK 17,398 thousand.

Parent Company

The parent Company has not provided any security or other collateral in assets at 31 December 2023.

15 Related parties

Related party transactions

NPP Renewables ApS was engaged in the below related party transactions:

	Parent Company	
DKK	2023	2022
Payables to group enterprises	11,990,143	1,147,289

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	DKK	Group 2023	Group 2022
16	**Changes in working capital**		
	Changes in receivables	-6,669,211	-6,250,278
	Changes in trade and other payables	7,278,475	55,341
	Foreign exchange adjustments	-140,108	17,421
		469,156	-6,177,516
17	**Cash and cash equivalents at year-end**		
	Cash according to the balance sheet	14,078,776	14,066,353
	Short-term debt to banks	-692,248	-816,629
		13,386,528	13,249,724