



Twig Energy ApS

Overgaden Neden Vandet 17, 2.
1414 København K
CVR No. 42377449

Annual report 2023

The Annual General Meeting adopted the annual report on 21.06.2024

Casper Kaae Sønderby
Chairman of the General Meeting

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Entity details

Entity

Twig Energy ApS

Overgaden Neden Vandet 17, 2.

1414 København K

Business Registration No.: 42377449

Registered office: København

Financial year: 01.01.2023 - 31.12.2023

Executive Board

Søren Kaae Sønderby

Casper Kaae Sønderby

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

City Tower, Værkmestergade 2

8000 Aarhus C

Statement by Management

The Executive Board has today considered and approved the annual report of Twig Energy ApS for the financial year 01.01.2023 - 31.12.2023.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2023 and of the results of its operations for the financial year 01.01.2023 - 31.12.2023.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, 21.06.2024

Executive Board

Søren Kaae Sønderby

Casper Kaae Sønderby

Independent auditor's report

To the shareholders of Twig Energy ApS

Opinion

We have audited the financial statements of Twig Energy ApS for the financial year 01.01.2023 - 31.12.2023, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2023 and of the results of its operations for the financial year 01.01.2023 - 31.12.2023 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 financial statements" section of this auditor's report. We are independent of the Entity 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.

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity 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 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 Entity'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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, 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 commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required by relevant law and regulations.

Based on the work we have performed, we conclude that the management commentary is in accordance with the financial statements and has been prepared in accordance with the requirements in the relevant law and regulations. We did not identify any material misstatement of the management commentary.

Aarhus, 21.06.2024

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Mads Fauerskov

State Authorised Public Accountant
Identification No (MNE) mne35428

Kasper Pagter Gjerløv

State Authorised Public Accountant
Identification No (MNE) mne50622

Management commentary

Primary activities

The company develops software and trades power on the European power markets.

Development in activities and finances

In 2023 the company developed its software platform and initiated its activities across most European power markets. These activities will continue in 2024. The company has realized a profit of t.DKK 39,101 for the year which the management finds satisfying.

Changes to accounting policies

The company has changed its accounting policy regarding the recognition of development projects in the financial year. The overall impact of the change in policy, as described in the accounting policy, results in an increase in this year's pre-tax profit of t.DKK 4,402. Tax for the year incumbent on the change in accounting policies, consisting of an adjustment of deferred tax, amounts to t.DKK 968, after which net profit for the year increases by t.DKK 3,433. The balance sheet total increases by t.DKK 4,402, while equity increases by t.DKK 3,433.

Foreign branches

Twig Energy ApS NUF branch

The Company realised a loss of DKK 1.905 for the financial year 2023. Management considers the results for the year as expected.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Income statement for 2023

	Notes	2023 DKK	2022 DKK
Gross profit/loss		62,256,393	69,067,029
Staff costs	1	(9,707,200)	(4,980,330)
Depreciation, amortisation and impairment losses		(1,873,099)	(1,134,038)
Operating profit/loss		50,676,094	62,952,661
Other financial income	2	750,057	268,388
Other financial expenses	3	(519,756)	(217,972)
Profit/loss before tax		50,906,395	63,003,077
Tax on profit/loss for the year	4	(11,805,550)	(13,623,445)
Profit/loss for the year		39,100,845	49,379,632
Proposed distribution of profit and loss			
Ordinary dividend for the financial year		0	31,000,000
Extraordinary dividend distributed in the financial year		0	15,449,333
Retained earnings		39,100,845	2,930,299
Proposed distribution of profit and loss		39,100,845	49,379,632

Balance sheet at 31.12.2023

Assets

	Notes	2023 DKK	2022 DKK
Completed development projects	6	6,869,962	2,929,732
Acquired intangible assets		0	55,790
Intangible assets	5	6,869,962	2,985,522
Other fixtures and fittings, tools and equipment		154,169	377,885
Property, plant and equipment	7	154,169	377,885
Deposits		665,763	135,000
Financial assets	8	665,763	135,000
Fixed assets		7,689,894	3,498,407
Receivables from group enterprises		212,487	0
Other receivables	9	24,661,237	12,816,272
Prepayments		24,818	84,827
Receivables		24,898,542	12,901,099
Cash		15,530,861	33,183,289
Current assets		40,429,403	46,084,388
Assets		48,119,297	49,582,795

Equity and liabilities

	Notes	2023 DKK	2022 DKK
Contributed capital		409,304	409,304
Translation reserve		(1,423)	0
Reserve for development expenditure		5,358,570	2,285,190
Retained earnings		36,869,476	842,011
Proposed dividend		0	31,000,000
Equity		42,635,927	34,536,505
Deferred tax		1,475,000	642,541
Provisions		1,475,000	642,541
Deposits		189,480	0
Non-current liabilities other than provisions	10	189,480	0
Trade payables		1,583,481	442,918
Payables to owners and management		414,396	426,392
Joint taxation contribution payable		502,939	12,986,904
Other payables		965,575	547,535
Deferred income		352,499	0
Current liabilities other than provisions		3,818,890	14,403,749
Liabilities other than provisions		4,008,370	14,403,749
Equity and liabilities		48,119,297	49,582,795
Unrecognised rental and lease commitments	11		
Contingent liabilities	12		
Assets charged and collateral	13		
Group relations	14		

Statement of changes in equity for 2023

	Contributed capital DKK	Translation reserve DKK	Reserve for development expenditure DKK	Retained earnings DKK	Proposed dividend DKK
Equity beginning of year	409,304	0	0	842,011	31,000,000
Changes in accounting policies	0	0	2,285,190	0	0
Adjusted equity beginning of year	409,304	0	2,285,190	842,011	31,000,000
Ordinary dividend paid	0	0	0	0	(31,000,000)
Exchange rate adjustments	0	(1,423)	0	0	0
Transfer to reserves	0	0	3,073,380	(3,073,380)	0
Profit/loss for the year	0	0	0	39,100,845	0
Equity end of year	409,304	(1,423)	5,358,570	36,869,476	0

	Total DKK
Equity beginning of year	32,251,315
Changes in accounting policies	2,285,190
Adjusted equity beginning of year	34,536,505
Ordinary dividend paid	(31,000,000)
Exchange rate adjustments	(1,423)
Transfer to reserves	0
Profit/loss for the year	39,100,845
Equity end of year	42,635,927

Notes

1 Staff costs

	2023	2022
	DKK	DKK
Wages and salaries	9,333,564	4,814,825
Pension costs	35,070	18,900
Other social security costs	39,004	19,502
Other staff costs	299,562	127,103
	9,707,200	4,980,330
Average number of full-time employees	11	6

2 Other financial income

	2023	2022
	DKK	DKK
Other interest income	694,210	32,472
Exchange rate adjustments	55,847	235,916
	750,057	268,388

3 Other financial expenses

	2023	2022
	DKK	DKK
Financial expenses from group enterprises	29,809	14,831
Other interest expenses	232,945	113,291
Exchange rate adjustments	257,002	89,850
	519,756	217,972

4 Tax on profit/loss for the year

	2023	2022
	DKK	DKK
Current tax	10,872,483	12,986,904
Change in deferred tax	832,458	636,541
Adjustment concerning previous years	100,609	0
	11,805,550	13,623,445

5 Intangible assets

	Completed development projects DKK	Acquired intangible assets DKK
Cost beginning of year	3,888,650	111,580
Additions	5,545,761	0
Cost end of year	9,434,411	111,580
Amortisation and impairment losses beginning of year	(958,918)	(55,790)
Amortisation for the year	(1,605,531)	(55,790)
Amortisation and impairment losses end of year	(2,564,449)	(111,580)
Carrying amount end of year	6,869,962	0

6 Development projects

During the financial year, our company developed a development project related to the creation of a machine learning model.

The objective of this project was to gain an enhanced understanding of electricity markets. This innovative machine learning model aims to leverage advanced algorithms and vast data sets to anticipate market trends, price fluctuations, and other important factors in the electricity market.

The insights generated by this model are intended to support strategic decisions, optimize energy trading, and ultimately lead to improved financial performance. The project, in its development phase, has required significant investment for data procurement, infrastructure development, and specialized personnel hiring. This development has been classified as completed development projects and will be depreciated over the projected useful life of the model.

We believe that this project represents an investment in our company's future capabilities and competitiveness in a rapidly evolving market.

7 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK
Cost beginning of year	497,215
Disposals	(11,938)
Cost end of year	485,277
Depreciation and impairment losses beginning of year	(119,330)
Depreciation for the year	(217,697)
Reversal regarding disposals	5,919
Depreciation and impairment losses end of year	(331,108)
Carrying amount end of year	154,169

8 Financial assets

	Deposits DKK
Additions	665,763
Cost end of year	665,763
Carrying amount end of year	665,763

9 Other receivables

Of the company's other receivables, DKK 24,7 million has been deposited for security for balances on energy trading.

10 Non-current liabilities other than provisions

	Due after more than 12 months 2023 DKK
Deposits	189,480
	189,480

11 Unrecognised rental and lease commitments

	2023 DKK	2022 DKK
Liabilities under rental or lease agreements until maturity in total	3,183,178	405,000

12 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement where Trunk Holding ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc. for the jointly taxed entities.

13 Assets charged and collateral

As security for the company's engagement with its bank connection one account with a deposit of 5,534 T.DKK. has been pledged for all balances.

The company has also, through its bank connection, established payment guarantees to third parties amounting to 5,217 T.DKK as of the balance sheet date.

14 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the largest group:
Trunk Holding ApS, Copenhagen, CVR-nr: 43728059

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of a few provisions for reporting class C.

Changes in accounting policies

The Entity has changed its accounting policies with regard to the recognition of development projects, which now in the future will be recognized in the balance sheet as opposed to previous years when recognition was made in the income statement.

The Changes were made back in time for which reason the opening balance sheet has been adjusted. The changes have had the following impact on the 2022 figures:

Profit/loss: Increase of t.DKK 2,285

Tax for the year: Increase of t.DKK 643

Equity: Increases of t.DKK 2,285.

Balance sheet total: Increases of t.DKK 2.928

The comparative figures have been restated following the change in accounting policies.

Apart from the areas mentioned above, the annual report has been presented applying the accounting policies consistently with last year.

Consolidated financial statements

Referring to section 110 of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses. Property, plant and equipment and intangible assets that have been purchased in foreign currencies are translated using historical rates.

Income statement

Gross profit or loss

Gross profit or loss comprises own work capitalised, other operating income and external expenses.

Other operating income

Other operating income comprises income of operating income that does not meet the definition of revenue, including Net Trading Income (see below), and salary refunds.

Net trading income

Net trading income result from power trading. Net trading income is recognised in the income statement on the day the net transaction is realised. All the companys positions is closed daily, and no open positions exists on the balance sheet date. Net trading income is the difference between gross purchases and sales transactions, and is thus shown as a net profit.

Staff costs

Staff costs comprise salaries and wages, and social security contributions, pension contributions, etc. for entity staff.

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, and gains and losses from the sale of intangible assets and property, plant and equipment.

Other financial income

Other financial income comprises of interest income.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities, and tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Entity is jointly taxed with all Danish group enterprises. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet**Intellectual property rights etc.**

Intellectual property rights etc. comprise development projects completed with related intellectual property rights and acquired intellectual property rights.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred. When recognising development projects as intangible assets, an amount equalling the costs incurred less deferred tax is taken to equity in the reserve for development costs that is reduced as the development projects are amortised and written down.

The cost of development projects comprises costs such as salaries and amortisation that are directly and indirectly attributable to the development projects.

Completed development projects are amortised on a straight-line basis using their estimated useful lives which are determined based on a specific assessment of each development project. If the useful life cannot be estimated reliably, it is fixed at 10 years. For development projects protected by intellectual property rights, the maximum period of amortisation is the remaining duration of the relevant rights. The amortisation periods used are 3 years.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised on a straight-line basis over their remaining duration, and licences are amortised on a straight-line basis over the term of the agreement.

Intellectual property rights etc. are written down to the lower of recoverable amount and carrying amount.

Property, plant and equipment

Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

	Useful life
Other fixtures and fittings	2-5

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises bank deposits and collateral to power exchanges.

Dividend

Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for the financial year is disclosed as a separate item in equity. Extraordinary dividend adopted in the financial year is recognised directly in equity when distributed and disclosed as a separate item in Management's proposal for distribution of profit/loss.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset. However, no deferred tax is recognised for amortisation of goodwill disallowed for tax purposes and temporary differences arising at the date of acquisition that do not result from a business combination and that do not have any effect on profit or loss or on taxable income.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Deferred tax relating to retaxation of previously deducted losses in foreign subsidiaries is recognised on the basis of an actual assessment of the purpose of each subsidiary.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Joint taxation contributions payable or receivable

Current joint taxation contributions receivable or joint taxation contributions payable are recognised in the balance sheet, calculated as tax computed on the taxable income of the year, which has been adjusted for prepaid tax.

Deferred income

Deferred income comprises income received for recognition in subsequent financial years. Deferred income is measured at cost.