
PEAX Energy ApS

Jens Baggesens Vej 90, DK-8200 Aarhus N

Annual Report for 2023

CVR No. 42 48 44 07

The Annual Report was
presented and adopted
at the Annual General
Meeting of the
company
on 7/6 2024

Michael Andersen
Chairman of the
general meeting



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Management's statement

The Executive Board has today considered and adopted the Annual Report of PEAX Energy ApS for the financial year 1 January - 31 December 2023.

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

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

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

Aarhus N, 7 June 2024

Executive Board

Michael Andersen

Independent Practitioner's Extended Review Report

To the shareholder of PEAX Energy ApS

Conclusion

We have performed an extended review of the Financial Statements of PEAX Energy ApS for the financial year 1 January - 31 December 2023, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The Financial Statements are prepared in accordance with the Danish Financial Statements Act.

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

Basis for Conclusion

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 "Practitioner's responsibilities 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 conclusion.

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 as Management determines is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the Financial Statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Practitioner's responsibilities for the extended review of the Financial Statements

Our responsibility is to express a conclusion on the Financial Statements. This requires that we plan and perform procedures to obtain limited assurance in respect of our conclusion on the Financial Statements and, moreover, that we perform supplementary procedures specifically required to obtain additional assurance in respect of our conclusion.

An extended review consists of making inquiries, primarily of Management and others within the enterprise, as appropriate, and applying analytical procedures and the supplementary procedures specifically required as well as assessing the evidence obtained.

An extended review is less in scope than an audit and, consequently, we do not express an audit opinion on the Financial Statements.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

Independent Practitioner's Extended Review Report

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

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

Based on the work we have performed, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

Aarhus C, 7 June 2024

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Rune Kjeldsen
State Authorised Public Accountant
mne34160

Lone Dalsgaard
State Authorised Public Accountant
mne50676

Company information

The Company PEAX Energy ApS
Jens Baggesens Vej 90
8200 Aarhus N
CVR No: 42 48 44 07
Financial period: 1 January - 31 December
Municipality of reg. office: Aarhus N

Executive Board Michael Andersen

Auditors PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Jens Chr. Skous Vej 1
DK-8000 Aarhus C

Management's review

Key activities

The purpose of the company is to conduct business as an advisory and consulting company in the energy industry and related business.

Development in the year

The income statement of the Company for 2023 shows a loss of DKK 258,000, and at 31 December 2023 the balance sheet of the Company shows a positive equity of DKK 2,532,755.

Subsequent events

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

Income statement 1 January - 31 December

	Note	2023	2022
		DKK	DKK
Gross profit		6,121,626	8,859,780
Staff expenses	1	-6,501,083	-6,457,816
Profit/loss before financial income and expenses		-379,457	2,401,964
Financial income	2	54,310	1,872
Financial expenses	3	-693	-4,921
Profit/loss before tax		-325,840	2,398,915
Tax on profit/loss for the year	4	67,840	-532,841
Net profit/loss for the year		-258,000	1,866,074

Distribution of profit

	2023	2022
	DKK	DKK
Proposed distribution of profit		
Retained earnings	-258,000	1,866,074
	-258,000	1,866,074

Balance sheet 31 December

Assets

	Note	2023	2022
		DKK	DKK
Trade receivables		2,065,841	199,607
Contract work in progress		738,823	2,228,357
Receivables from group enterprises		3,011,026	3,568,374
Other receivables		237,628	81,380
Deferred tax asset		51,912	24,507
Corporation tax receivable from group enterprises		40,435	0
Prepayments		129,754	102,368
Receivables		6,275,419	6,204,593
Cash at bank and in hand		395,901	3,516,111
Current assets		6,671,320	9,720,704
Assets		6,671,320	9,720,704

Balance sheet 31 December

Liabilities and equity

	Note	2023	2022
		DKK	DKK
Share capital		50,000	50,000
Other reserves		111,397	111,397
Retained earnings		2,371,358	2,504,791
Equity		2,532,755	2,666,188
Trade payables		1,146,584	1,787,827
Payables to group enterprises		1,671,494	3,435,867
Payables to group enterprises relating to corporation tax		0	557,348
Other payables		1,320,487	1,273,474
Short-term debt		4,138,565	7,054,516
Debt		4,138,565	7,054,516
Liabilities and equity		6,671,320	9,720,704
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Statement of changes in equity

	Share capital	Other reserves	Retained earnings	Total
	DKK	DKK	DKK	DKK
Equity at 1 January	50,000	111,397	2,504,791	2,666,188
Warrant programme	0	124,567	0	124,567
Other equity movements	0	-124,567	124,567	0
Net profit/loss for the year	0	0	-258,000	-258,000
Equity at 31 December	50,000	111,397	2,371,358	2,532,755

Notes to the Financial Statements

	2023	2022
	DKK	DKK
1. Staff Expenses		
Wages and salaries	5,742,553	6,233,351
Pensions	448,221	199,925
Other social security expenses	29,020	17,226
Other staff expenses	281,289	7,314
	<u>6,501,083</u>	<u>6,457,816</u>
Average number of employees	<u>7</u>	<u>7</u>

Warrants to senior employees have been issued in 2022. The warrants include an option to purchase new shares in Peak Wind Group ApS in the period from 2023 to 2026, of shares of up to approximately 10% of the share capital at an option price that is lower than the assessed fair value of the company at grant date. No warrants have been issued to the Executive Board.

	2023	2022
	DKK	DKK
2. Financial income		
Other financial income	14,585	0
Exchange gains	39,725	1,872
	<u>54,310</u>	<u>1,872</u>

	2023	2022
	DKK	DKK
3. Financial expenses		
Other financial expenses	0	117
Exchange loss	693	4,804
	<u>693</u>	<u>4,921</u>

	2023	2022
	DKK	DKK
4. Income tax expense		
Current tax for the year	-40,435	557,348
Deferred tax for the year	-27,405	-24,507
	<u>-67,840</u>	<u>532,841</u>

Notes to the Financial Statements

	<u>2023</u>	<u>2022</u>
	DKK	DKK
5. Contingent assets, liabilities and other financial obligations		
Rental and lease obligations		
Lease obligations under operating leases. Total future lease payments:		
Within 1 year	386,565	0
	<u>386,565</u>	<u>0</u>

Guarantee obligations

The Company is jointly and severally liable for bank debt in Peak Wind ApS.

Other contingent liabilities

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

Notes to the Financial Statements

6. Accounting policies

The Annual Report of PEAX Energy ApS for 2023 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2023 are presented in DKK.

Recognition and measurement

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

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

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

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

Translation policies

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

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

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

Incentive schemes

The value of share-based payment, including share option and warrant plans that do not involve an outflow of cash and cash equivalents, offered to a number of senior employees is recognized in the income statement. The most significant conditions of the share option plans are disclosed in the notes.

Income statement

Revenue

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

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

Notes to the Financial Statements

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

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

Other external expenses

Other external expenses comprise indirect production costs and expenses for premises, sales as well as office expenses, etc.

Gross profit

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

Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses.

Financial income and expenses

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

Tax on profit/loss for the year

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

Balance sheet

Receivables

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

Contract work in progress

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

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

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

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

Notes to the Financial Statements

Prepayments

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

Deferred tax assets and liabilities

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

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Current tax receivables and liabilities

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

Financial liabilities

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