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# *Head Energy Denmark A/S*

Kanalen , 1,1, DK-6700 Esbjerg

## Annual Report for 2023

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CVR No. 43 21 82 04

The Annual Report was  
presented and adopted  
at the Annual General  
Meeting of the  
company  
on 24/5 2024

Mads Vinter Hansen  
Chairman of the  
general meeting



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# Management's statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Head Energy Denmark A/S for the financial year 1 January - 31 December 2023.

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

In our opinion the Financial Statements 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.

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

Esbjerg, 24 May 2024

## Executive Board

Mads Vinter Hansen  
Manager

## Board of Directors

Nils Erik Haukeland  
Chairman

Christian Sanddal Nielsen

Flemming Nyenstad Enevoldsen

Anders Frederiksen

Morten Leikvoll

Anne Line Sleveland Olsen

# Independent Auditor's report

To the shareholders of Head Energy Denmark A/S

## Opinion

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.

We have audited the Financial Statements of Head Energy Denmark A/S for the financial year 1 January - 31 December 2023, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the Financial Statements").

## Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the Financial Statements" section of our report. We are independent of the 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 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 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.

## 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 Company's internal control.

# Independent Auditor's report

- 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 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

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.

Esbjerg, 24 May 2024

**PricewaterhouseCoopers**

Statsautoriseret Revisionspartnerselskab

*CVR No 33 77 12 31*

Henning Tønder Olesen

State Authorised Public Accountant

mne27864

## Company information

<b>The Company</b>	Head Energy Denmark A/S Kanalen , 1,1 DK-6700 Esbjerg  CVR No: 43 21 82 04 Financial period: 1 January - 31 December Municipality of reg. office: Esbjerg
<b>Board of Directors</b>	Nils Erik Haukeland, chairman Christian Sanddal Nielsen Flemming Nyenstad Enevoldsen Anders Frederiksen Morten Leikvoll Anne Line Sleveland Olsen
<b>Executive Board</b>	Mads Vinter Hansen
<b>Auditors</b>	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Esbjerg Brygge 28, 2. DK-6700 Esbjerg

## Income statement 1 January - 31 December

	Note	2023	2022
		DKK	DKK
<b>Gross profit</b>		<b>2,739,851</b>	<b>1,452,188</b>
Staff expenses	2	-2,893,180	-1,633,392
<b>Profit/loss before financial income and expenses</b>		<b>-153,329</b>	<b>-181,204</b>
Income from investments in subsidiaries	3	589,594	2,333,746
Financial income	4	16,390	11,442
Financial expenses	5	-70,353	-11,418
<b>Profit/loss before tax</b>		<b>382,302</b>	<b>2,152,566</b>
Tax on profit/loss for the year	6	34,756	-38,998
<b>Net profit/loss for the year</b>		<b>417,058</b>	<b>2,113,568</b>
 <b>Distribution of profit</b>			
		2023	2022
		DKK	DKK
<b>Proposed distribution of profit</b>			
Proposed dividend for the year		400,000	1,000,000
Reserve for net revaluation under the equity method		923,340	0
Retained earnings		-906,282	1,113,568
		<b>417,058</b>	<b>2,113,568</b>

## Balance sheet 31 December

### Assets

	Note	2023	2022
		DKK	DKK
Leasehold improvements		17,440	0
<b>Property, plant and equipment</b>		<b>17,440</b>	<b>0</b>
Investments in subsidiaries	7	15,230,664	14,641,070
Deposits		30,000	0
<b>Fixed asset investments</b>		<b>15,260,664</b>	<b>14,641,070</b>
<b>Fixed assets</b>		<b>15,278,104</b>	<b>14,641,070</b>
Receivables from group enterprises		2,040,297	959,203
Other receivables		12,037	3,141
Deferred tax asset		5,000	0
Corporation tax receivable from group enterprises		495,682	779,872
Prepayments		20,000	0
<b>Receivables</b>		<b>2,573,016</b>	<b>1,742,216</b>
<b>Current assets</b>		<b>2,573,016</b>	<b>1,742,216</b>
<b>Assets</b>		<b>17,851,120</b>	<b>16,383,286</b>



## Balance sheet 31 December

### Liabilities and equity

	Note	2023	2022
		DKK	DKK
Share capital		692,525	692,525
Reserve for net revaluation under the equity method		923,340	0
Retained earnings		11,891,470	12,797,752
Proposed dividend for the year		400,000	1,000,000
<b>Equity</b>		<b>13,907,335</b>	<b>14,490,277</b>
Trade payables		162,391	151,147
Payables to group enterprises		1,942,936	172,651
Corporation tax		763,968	818,870
Payables to group enterprises relating to corporation tax		119,332	0
Other payables		955,158	750,341
<b>Short-term debt</b>		<b>3,943,785</b>	<b>1,893,009</b>
<b>Debt</b>		<b>3,943,785</b>	<b>1,893,009</b>
<b>Liabilities and equity</b>		<b>17,851,120</b>	<b>16,383,286</b>
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## Statement of changes in equity

	Share capital	Reserve for net revaluation under the equity method	Retained earnings	Proposed dividend for the year	Total
	DKK	DKK	DKK	DKK	DKK
Equity at 1 January	692,525	0	12,797,752	1,000,000	14,490,277
Ordinary dividend paid	0	0	0	-1,000,000	-1,000,000
Net profit/loss for the year	0	923,340	-906,282	400,000	417,058
<b>Equity at 31 December</b>	<b>692,525</b>	<b>923,340</b>	<b>11,891,470</b>	<b>400,000</b>	<b>13,907,335</b>

# Notes to the Financial Statements

## 1. Key activities

The company's purpose is to do business in the form of offering engineering services, project management services, logistik, trade, investing and financing , as well as any other related business and management tasks. furthermore the company's purpose is also to own capital shares of other companies , make investments as well as administration activities as well as other related matters.

	2023	2022
	DKK	DKK
<b>2. Staff Expenses</b>		
Wages and salaries	2,558,554	1,531,128
Pensions	260,184	85,080
Other social security expenses	28,539	5,491
Other staff expenses	45,903	11,693
	<u>2,893,180</u>	<u>1,633,392</u>
Average number of employees	<u>4</u>	<u>3</u>

	2023	2022
	DKK	DKK
<b>3. Income from investments in subsidiaries</b>		
Share of profits	1,378,566	2,793,980
Amortisation of goodwill	-788,972	-460,234
	<u>589,594</u>	<u>2,333,746</u>

	2023	2022
	DKK	DKK
<b>4. Financial income</b>		
Exchange gains	16,390	11,442
	<u>16,390</u>	<u>11,442</u>

## Notes to the Financial Statements

	<u>2023</u>	<u>2022</u>
	DKK	DKK
<b>5. Financial expenses</b>		
Other financial expenses	48,821	2,956
Exchange loss	21,532	8,462
	<u>70,353</u>	<u>11,418</u>
	<u>2023</u>	<u>2022</u>
	DKK	DKK
<b>6. Income tax expense</b>		
Current tax for the year	-42,382	38,998
Deferred tax for the year	-5,000	0
Adjustment of tax concerning previous years	12,626	0
	<u>-34,756</u>	<u>38,998</u>

## Notes to the Financial Statements

	2023	2022
	DKK	DKK
<b>7. Investments in subsidiaries</b>		
Cost at 1 January	14,307,324	0
Additions for the year	0	14,307,324
Cost at 31 December	<u>14,307,324</u>	<u>14,307,324</u>
Value adjustments at 1 January	333,746	0
Net profit/loss for the year	1,378,566	2,793,980
Dividend to the Parent Company	0	-2,000,000
Amortisation of goodwill	-788,972	-460,234
Value adjustments at 31 December	<u>923,340</u>	<u>333,746</u>
<b>Carrying amount at 31 December</b>	<b><u>15,230,664</u></b>	<b><u>14,641,070</u></b>
Positive differences arising on initial measurement of subsidiaries at net asset value	<u>7,889,717</u>	<u>7,889,717</u>
Remaining negative difference included in the above carrying amount at	<u>6,640,511</u>	<u>7,429,483</u>

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Ownership
Head Energy Denmark Consulting A/S	Esbjerg	500.000	100%
Head Energy Dangrid A/S	Odense	81.632	50,1%

## 8. Contingent assets, liabilities and other financial obligations

There are no security and contingent liabilities at 31 December 2023.

# Notes to the Financial Statements

## 9. Accounting policies

The Annual Report of Head Energy Denmark A/S 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 Financial Statements for 2023 are presented in DKK.

### Consolidated financial statements

With reference to section 110 of the Danish Financial Statements Act, no consolidated financial statements are prepared.

### 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

Danish kroner is used as the presentation currency. All other currencies are regarded as foreign currencies.

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the transaction date rates are recognised in financial income and expenses in the income statement; however, see the section on hedge accounting.

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

## Income statement

### Revenue

Services are recognised at the rate of completion of the management services.

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

# Notes to the Financial Statements

## Other external expenses

Other external expenses comprise expenses for premises, sales as well as office expenses, etc.

## Gross profit

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

## Staff expenses

Staff costs include wages and salaries including compensated absence and pensions as well as other social security contributions etc. made to the entity's employees.

## Income from investments in subsidiaries

The item "Income from investments in subsidiaries" in the income statement includes the proportionate share of the profit for the year.

## Financial income and expenses

Financial income and expenses comprise interest, financial expenses in respect of finance leases, realised and unrealised exchange adjustments, price adjustment of securities, amortisation of mortgage loans as well as extra payments and repayment under the on-account taxation scheme.

## Tax on profit/loss for the year

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

Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

The Company is jointly taxed with Head Energy Denmark Consulting A/S and Head Energy Dangrid ApS. The tax effect of the joint taxation with the subsidiaries is allocated to Danish enterprises showing profits or losses in proportion to their taxable incomes (full allocation with credit for tax losses).

## Balance sheet

### Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

### Impairment of fixed assets

The carrying amounts of property, plant and equipment and investments are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by depreciation.

# Notes to the Financial Statements

The recoverable amount of the asset is calculated as the higher of net selling price and value in use. Where a recoverable amount cannot be determined for the individual asset, the assets are assessed in the smallest group of assets for which a reliable recoverable amount can be determined based on a total assessment.

## Investments in subsidiaries

Investments in subsidiaries are recognised and measured under the equity method.

The item “Investments in subsidiaries” in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition with deduction or addition of unrealised intercompany profits or losses and with addition of the remaining value of any increases in value and goodwill calculated at the time of acquisition of the enterprises.

The total net revaluation of investments in subsidiaries is transferred upon distribution of profit to “Reserve for net revaluation under the equity method” under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in the subsidiaries.

Subsidiaries with a negative net asset value are recognised at DKK 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.

## Other fixed asset investments

Other fixed asset investments consist of deposits.

## 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.

## Prepayments

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

## Equity

### Dividend

Dividend distribution proposed by Management for the year is disclosed as a separate Dividend item.

## Deferred tax assets and liabilities

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

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. In cases where the computation of the tax base may be made according to alternative tax rules, deferred tax is measured on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities.

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



# Notes to the Financial Statements

## **Current tax receivables and liabilities**

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

## **Financial liabilities**

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