

German Pellets Denmark ApS

Sdr. Tværkaj 3, 7100 Vejle
CVR-nr. 33 26 76 22

Annual Report 2024

1 January - 31 December

The Annual Report has been presented and adopted at the
Company's Annual General Meeting on 20 June 2025

Uwe Jäger

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Company Details

Company	German Pellets Denmark ApS Sdr. Tværkaj 3 7100 Vejle
	CVR No.: 33 26 76 22 Established: 17 November 2010 Municipality: Vejle Financial Year: 1 January - 31 December
Board of Directors	Matthias Vette, chairman Uwe Jäger
Executive Board	Matthias Vette
Auditor	BDO Statsautoriseret revisionsaktieselskab Vestre Ringgade 28 8000 Aarhus C
Bank	Sydbank A/S Storegade 18 6200 Aabenraa

Management's Statement

Today the Board of Directors and Executive Board have discussed and approved the Annual Report of German Pellets Denmark ApS for the financial year 1 January - 31 December 2024.

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 Company's assets, liabilities and financial position at 31 December 2024 and of the results of the Company's operations for the financial year 1 January - 31 December 2024.

The Management Commentary includes in our opinion a fair presentation of the matters dealt with in the Commentary.

We recommend the Annual Report be approved at the Annual General Meeting.

Vejle, 11 June 2025

Executive Board

Matthias Vette

Board of Directors

Matthias Vette
Chairman

Uwe Jäger

The Independent Auditor's Report

To the Shareholder of German Pellets Denmark ApS

Conclusion

We have performed an extended review of the Financial Statements of German Pellets Denmark ApS for the financial year 1 January - 31 December 2024, 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 under the Danish Financial Statements Act.

Based on the work performed in our opinion, the Financial Statements give a true and fair view of the Company's financial position at 31 December 2024 and of the results of the Company's operations for the financial year 1 January - 31 December 2024 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 "Auditor'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 (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements 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 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 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 in order to obtain limited assurance for our conclusion on the Financial Statements and in addition perform specifically required supplementary procedures to obtain further assurance for our conclusion.

An extended review comprises procedures that primarily consist of making inquiries of Management and others within the Company, as appropriate, analytical procedures and the specifically required supplementary procedures as well as evaluation of the evidence obtained.

The procedures performed in an extended review are less than those performed in an audit, and accordingly, we do not express an audit opinion on the Financial Statements.

Statement on the Management Commentary

Management is responsible for the Management Commentary.

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

The Independent Auditor's Report

In connection with our extended review 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 during the extended review, or otherwise appears to be materially misstated.

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

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 of the Danish Financial Statements Act. We did not identify any material misstatement in the Management Commentary.

Aarhus, 11 June 2025

BDO Statsautoriseret revisionsaktieselskab
CVR no. 20 22 26 70

Thomas Nørgaard Christensen
State Authorised Public Accountant
MNE no. mne40048

Management Commentary

Principal activities

The principal activities comprise sale of wood pellets and related business.

Development in activities and financial and economic position

The company has realized a deficit before tax on 1.835 tkr. The management considers the result to be unsatisfactory.

The Company has lost its share capital. It is a requirement by the Companies Act to ensure the Share capital is fully established. The company expects the share capital to be re-established within a couple of years through its ordinary operations

The parent company has issued a letter of Comfort stating that they will secure the operations of the Company with the necessary contributions, whereby the liquidity for the coming financial year is ensured and the annual report can be presented in accordance with going concern.

Significant events after the end of the financial year

No events have occurred after the end of the financial year of material importance for the company's financial position.

Income Statement 1 January - 31 December

	Note	2024 DKK	2023 DKK
Gross loss		-1.243.500	-6.935.318
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Depreciation, amortisation and impairment losses for tangible and intangible assets		0	-933
Operating loss		-1.243.500	-6.936.251
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Other financial income	2	15.103	5.226
Other financial expenses	3	-607.088	-736.746
Loss before tax		-1.835.485	-7.667.771
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Tax on profit/loss for the year		0	0
Loss for the year		-1.835.485	-7.667.771
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Proposed distribution of profit			
Retained earnings		-1.835.485	-7.667.771
Total		-1.835.485	-7.667.771
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Balance Sheet at 31 December

Assets

	Note	2024 DKK	2023 DKK
Finished goods and goods for resale		86.307	2.796.924
Inventories		86.307	2.796.924
Trade receivables		216.836	1.054.268
Other receivables		149.999	150.749
Prepayments		2.447	1.680
Receivables		369.282	1.206.697
Cash and cash equivalents		715.650	606.465
Current assets		1.171.239	4.610.086
Assets		1.171.239	4.610.086

Equity and liabilities

Share capital		80.000	80.000
Retained earnings		-9.750.009	-7.914.524
Equity		-9.670.009	-7.834.524
Trade payables		309.929	289.630
Debt to Group companies		10.254.086	11.976.299
Other liabilities		277.233	178.681
Current liabilities		10.841.248	12.444.610
Liabilities		10.841.248	12.444.610
Equity and liabilities		1.171.239	4.610.086

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Equity

DKK	Share capital	Retained earnings	Total
Equity at 1 January 2024	80.000	-7.914.524	-7.834.524
Proposed profit allocation		-1.835.485	-1.835.485
Equity at 31 December 2024	80.000	-9.750.009	-9.670.009

Notes

	2024 DKK	2023 DKK
1 Staff costs		
Average number of full time employees	1	1
2 Other financial income		
Other interest income	15.103	5.226
	15.103	5.226
3 Other financial expenses		
Interest expenses to group enterprises	566.459	663.068
Other interest expenses	40.629	73.678
	607.088	736.746

4 | Contingencies etc.

Contingent assets

The company has tax losses for offsetting in future income. The tax value of the deferred tax asset constitutes 2.489 tkr. is not recognized in the financial statement.

5 | Condition for continued operation

The parent company has issued a letter of Comfort stating that they will secure the operations of the Company with the necessary contributions, whereby the liquidity for the coming financial year is ensured and the annual report can be presented in accordance with going concern.

6 | Consolidated Financial Statements

The company is included in the consolidated financial statements for LEAG Pellets GmbH Am Torney 2a, 23970 Wismar, Germany

Accounting Policies

The Annual Report of German Pellets Denmark ApS for 2024 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class B and certain provisions applying to reporting class C.

The Annual Report is prepared consistently with the accounting principles applied last year.

Income Statement

Net revenue

Net revenue from sale of merchandise and finished goods is recognised in the Income Statement if supply and risk transfer to purchaser has taken place before the end of the year and if the income can be measured reliably and is expected to be received. Net revenue is recognised exclusive of VAT, duties and less discounts related to the sale.

Net revenue is recognised exclusive of VAT and less duties and discounts related to the sale.

Cost of sales

Cost of sales comprise costs incurred to achieve the net revenue for the year, including direct and indirect costs of raw materials and consumables.

Other external expenses

Other external expenses include cost of sales, advertising, administration, buildings, bad debts, operational lease expenses, etc.

Financial income and expenses

Financial income and expenses include interest income and expenses, financial expenses of finance leases, realised and unrealised gains and losses arising from investments in financial assets, debt and transactions in foreign currencies, amortisation of financial assets and liabilities as well as charges and allowances under the tax-on-account scheme etc. Financial income and expenses are recognised in the income statement by the amounts that relate to the financial year.

Tax

The tax for the year, which consists of the current tax for the year and changes in deferred tax, is recognised in the income statement by the portion that may be attributed to the profit for the year, and is recognised directly in the equity by the portion that may be attributed to entries directly to the equity.

Balance Sheet

Inventories

Inventories are measured at cost using the FIFO-principle. If the net realisable value is lower than cost, the inventories are written down to the lower value.

The net realisable value of inventories is stated at sales price less completion costs and costs incurred to execute the sale and is determined with due regard to marketability, obsolescence and development in expected sales price.

Receivables

Receivables are measured at amortised cost which usually corresponds to nominal value. The value is reduced by impairment losses to meet expected losses.

Accounting Policies

Write-off is performed to provide for losses when an objective indication has been assessed to have incurred that a receivable or a portfolio of receivables are impaired. If there is an objective indication that an individual receivable is impaired, the write-off is performed at individual level.

Receivables for which there are no objective indication of impairment at individual level are assessed at portfolio level for objective indication of impairment. The portfolios are primarily based on the debtors' registered office and credit rating in accordance with the Company's policy for credit risk management. The objective indicators, which are applied for portfolios, are determined based on the historical loss experiences.

Write-off is determined as the difference between the carrying amount of receivables and the present value of the expected cash flows, including realisable value of any received collaterals. The effective interest rate is used as discount rate for the single receivable or portfolio.

Accruals, assets

Accruals recognised as assets include costs incurred relating to the subsequent financial year.

Tax payable and deferred tax

Current tax liabilities and receivable current tax are recognised in the balance sheet as the calculated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and taxes paid on account.

Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carry-forwards, are measured at the expected realisable value of the asset, either by set-off against 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 under the legislation in force on the balance sheet date would be applicable when the deferred tax is expected to crystallise as current tax. Any changes in the deferred tax resulting from changes in tax rates, are recognised in the income statement, except from items recognised directly in equity.

Liabilities

Amortised cost of current liabilities usually corresponds to nominal value.

Foreign currency translation

Transactions in foreign currencies are translated at the rate of exchange on the transaction date. Exchange differences arising between the rate on the transaction date and the rate on the payment date are recognised in the income statement as a financial income or expense.

Receivables, payables and other monetary items in foreign currencies that are not settled on the balance sheet date are translated at the exchange rate on the balance sheet date. The difference between the exchange rate on the balance sheet date and the exchange rate at the time of occurrence of the receivables or payables is recognised in the income statement as financial income or expenses.

Fixed assets acquired in foreign currencies are translated at the rate of exchange on the transaction date.