



**ST. JØRGEN**

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## Entity details

### Entity

St. Jørgen Holding A/S  
Linnésgade 25, 4. tv  
1361 Copenhagen

Business Registration No.: 40445803  
Registered office: Copenhagen  
Financial year: 01.01.2025- 31.12.2025

### Board of Directors

Johannus Gunnar Egholm Hansen, Chairman  
Thomas Lund  
Michael Krebs Lind

### Executive Board

Michael Krebs Lind

### Auditors

Deloitte Statsautoriseret Revisionspartnerselskab  
Weidekampsgade 6  
2300 Copenhagen S

## Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of St. Jørgen Holding A/S for the financial year 01.01.2025 - 31.12.2025.

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 31.12.2025 and of the results of its operations for the financial year 01.01.2025 - 31.12.2025.

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, 09.04.2026

### Executive Board

**Michael Krebs Lind**

### Board of Directors

**Johannus Gunnar Egholm Hansen**  
Chairman

**Thomas Lund**

**Michael Krebs Lind**

# Independent auditor's report

## To the shareholders of St. Jørgen Holding A/S

### Opinion

We have audited the financial statements of St. Jørgen Holding A/S for the financial year 01.01.2025 - 31.12.2025, 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 31.12.2025 and of the results of its operations for the financial year 01.01.2025 - 31.12.2025 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.

Copenhagen, 09.04.2026

**Deloitte**

Statsautoriseret Revisionspartnerselskab  
CVR No. 33963556

**Bjørn Winkler Jakobsen**

State Authorised Public Accountant  
Identification No (MNE) mne32127

# Management commentary

## Primary activities

St. Jørgen Holding carries on its activities through its subsidiaries.

St. Jørgen Holding develops onshore renewable energy projects that underpin the green transition and the ambition to reduce dependency on imported energy, with a particular focus on combined solar PV projects, onshore wind projects and energy storage projects, which continue to be the most cost-effective energy production facilities.

St. Jørgen Holding's business model includes both income from project sales and on a longer term from owned assets.

The company's strategic focus continues to be development of onshore renewable energy projects of industrial scale in Denmark and the other Nordic countries, including combined technologies such as solar and wind power plants (hybrid projects) combined with energy storage.

As the market for new renewable energy projects in the Nordic countries, in particular solar PV projects, has been less active over the last 2 – 3 years, the company has focused its activities more on progressing its existing project portfolio than on sourcing of new potential renewable energy projects, although the company continues exploring attractive project opportunities both in Denmark and abroad.

By end 2025 the company had contracted projects and pipeline projects for solar and onshore wind power projects as well as hybrid projects in Denmark, Southern Sweden and Faroe Islands with a total capacity of more than 4GW, consisting mainly of industrial scale projects. The company is positioned to further expand its project portfolio in Denmark and Sweden during 2026.

The planning process of the combined 500 MW solar PV and at least 200 MWh energy storage project in Gl. Vraa in Aalborg Municipality will continue throughout 2026, with an expectation of final permitting in 2H 2026. While grid connection agreements have been secured on attractive 2023-terms, the time for commercial operation of the Gl. Vraa project has been adversely impacted by further delays by the Danish TSO. However, the company maintains a positive collaboration with the Danish TSO with an aim to mitigate delays of the grid build-out.

By the end of 2025 the company's organization included 14 people.

## Discontinuing Activities

As announced in the annual accounts for 2024, St. Jørgen Holding has during 2025 divested its real estate assets with the objective to become a pure renewable energy company.

Divestments were completed at valuations in excess of book value and thus freed up liquidity and improved the financial results.

#### **Development in activities and finances**

The company's activities have until 2025 been 100% equity-financed. In 2025 and beginning of 2026 the company raised both new equity and interest-bearing debt in the form of convertible loans for a total of DKK 22.4 million. to finance the company's activities.

The capital increases and the convertible loans have been fully paid up.

The main trends that affect the company's business include:

- The project development market trends towards industrial scale renewable energy projects. This has been the core of the company's focus since the beginning of its renewable energy development activities.
- The market for Energy storage projects, both on a stand-alone basis and in combination with energy production facilities, is on a rise. This is to some extent driven by the need at project-level to balance energy production and grid export capacity, but also by rapidly increasing curtailment during peak production hours on the power grid itself. At the same time the market is seeing significantly decreasing prices of industrial-scale batteries.
- Further, renewable energy projects trend towards combining different technologies, e.g. solar PV, wind and energy storage (hybrid projects) within the same area, rather than single-technology projects. The company has secured the right to develop all technologies in nearly all of its land-lease and option agreements since the very beginning of its activities.
- While development of power-to-X has been slower than previously expected, and thus adversely affecting projected electricity offtake, the offtake from data centers (driven by the rapid growth of AI) and from the generally increasing electrification in society are driving increased demand for green energy.
- The construction cost of onshore renewable energy projects – and thus of green energy - continues to decrease due to lower prices on components such as solar panels, inverters and large-scale batteries.
- The market for new corporate power purchase agreements (CPPAs) has leveled after a period with rapid increase. However, electricity demand from data centers is expected to re-ignite the PPA market and pricing.

#### **Profit/loss for the year in relation to expected developments**

The financial results from 2025 are impacted by one-off costs in connection with relocation to new office premises and reduction of the company's organization. These initiatives will reduce the company's operating expenses in 2026 and onwards.

As the company has not yet started revenue-generating activities but continues its project development activities, the financial result in 2025 was a loss of 7.807 t.kr, against a loss of 13.443 t.kr last year. The result is positively impacted by the divestment of its real estate assets, which were completed at values in excess of book value of the real estate assets.

The result before items related to the real estate activity is as expected.

The company's total assets at the end of the year amounted to 58.108 t.kr. and equity amounted to 38.223 t.kr. The company expects also in 2026 to be engaged in project development activities only, and an operating loss is

therefore also expected for 2026.

#### **Capital resources and liquidity**

Cash and cash equivalents as of 1 January 2026 amount to DKK 17,2 million in the parent Company and DKK 20,1 million in the Group.

The company has engaged a financial advisor to raise the more substantial capital requirements and debt financing required for taking FID on the most progressed industrial scale solar PV and BESS projects, as well as to explore the opportunities for individual project sales.

To secure financing and liquidity for the activities during 2026 and until FID of the most progressed project, the company has raised new equity and entered into a number of convertible loan agreements with existing

shareholders and new investors. Furthermore, the company divested its real estate activities in 2025 and implemented various initiatives to reduce the cost base, including by adjusting the organization and by relocating to new and more centrally located office facilities.

In the beginning of 2026, the company raised additional equity and convertible loans for a total of DKK 6 million.

On this basis management considers the capital resources to be sufficient to finance the activities in 2026, and that it is appropriate to prepare the financial statements on a going concern basis.

#### **Group relations**

The company has more than 100 shareholders, 4 of whom are the company's original founders, whereas the remaining shareholders are investors that invested in the company in 2023, 2024, 2025 and 2026.

These include employees, business relations and some of the landowners with whom the company has concluded land lease option agreements, as well as new professional investors.

#### **Statutory report on distribution policy**

The Board of Directors recommends that no dividend be paid for the financial year 2025.

#### **Statutory report on corporate governance**

##### **Management**

The company is managed by a Board of Directors with 3 directors and an Executive Board of 1 member, with competence within project development, renewable energy, financing, law, recruitment and stakeholder management.

##### **Risk management**

*General risk:* St. Jørgen Holding's business involves several types of risk, including risks related to the general economic development in Denmark, as the company's main focus is on developing renewable energy projects in Denmark. This exposes the Group to fluctuations in the Danish economy. St. Jørgen Holding aims to adapt to market development and is continuously working to reduce the company's risks. However, due to the global nature of the supply chain as well as the financing for large scale renewable energy projects, the company is also exposed to risks related to the global development of the supply chain, as well as the financial and capital markets.

*Project Development risks:* St. Jørgen Holding's development of renewable energy projects depends to a large

extent on the achievement of the necessary regulatory approvals, including in particular the approval by municipal boards of planning for the intended projects. St. Jørgen Holding works continuously on assessing the risks associated with each project, including risks that may affect the achievement of the necessary regulatory approvals. This is done, inter alia, by thorough screening of possible constraints related to the areas included in the projects, and by maintaining a close dialogue with the relevant authorities, and in particular an early and ongoing dialogue with neighbors to the projects and with other stakeholders that may be affected by the projects.

Furthermore, the realization of renewable energy projects depends to a very large extent on securing grid connection. St. Jørgen Holding normally initiates a dialogue with the grid system operator as early as possible in the project development phase in order to identify any challenges with the grid connection, and in order to ensure the most efficient grid connection process possible. As a main rule, construction of projects will not be initiated unless the project has either secured or received strong indications that the project will get grid

connection on feasible terms. As a main rule, St. Jørgen Holding does not invest in real estate in connection with the development of renewable energy projects, except where neighbors are entitled under Danish Law to exercise the right to request the project company to acquire their property located in close proximity to the project, or where such investment has a strategic relevance to the renewable energy projects in the same area. In general St. Jørgen Holding will aspire to have a positive and constructive dialog with the neighbors to the projects and will normally offer voluntary agreements to compensate the owners or to purchase the residential properties of the affected neighbors, subject however to the individual projects obtaining the necessary regulatory approvals etc. for the realization of the project.

*Financial risks:* Through operations, investments and financing, St. Jørgen Holding may be affected by changes in market rates and interest rate levels. St. Jørgen Holding has established measures to properly manage the financial risks assumed by the Group.

*Currency risks:* St. Jørgen Holding carries out its main activities in Denmark and most of the expenses are denominated in Danish kroner. Once the company commences construction of some of the company's projects, some of the cost of procurement of components and materials may be denominated in other currencies, such as Euro and US dollars. The company will, when considered necessary, take the necessary steps considered to appropriately protect the company against exchange rate risks.

*Credit risk:* St. Jørgen Holding does not have significant risks related to individual customers or partners. St. Jørgen Holding places its free liquidity in well-managed Danish banks with a solid reputation.

*Compliance:* The company's compliance with current rules and regulations has a high priority, and we continuously invest in the necessary resources to ensure compliance.

#### **Events after the balance sheet date**

In February 2026 the company raised additional equity of DKK 5 million and convertible loans of DKK 1 million. No other events of significance to the annual report for 2025 have occurred.

## Income statement for 2025

	Notes	2025 DKK	2024 DKK
<b>Gross profit/loss</b>		<b>1,274,111</b>	<b>(717,424)</b>
Staff costs	1	(10,268,221)	(9,918,853)
Depreciation, amortisation and impairment losses	2	(186,398)	(188,274)
Other operating expenses		(79,608)	0
<b>Operating profit/loss</b>		<b>(9,260,116)</b>	<b>(10,824,551)</b>
Other financial income	3	1,885,361	1,351,644
Impairment losses on financial assets		351,282	(3,966,663)
Other financial expenses	4	(783,956)	(3,040)
<b>Profit/loss for the year</b>		<b>(7,807,429)</b>	<b>(13,442,610)</b>
<b>Proposed distribution of profit and loss</b>			
Retained earnings		(7,807,429)	(13,442,610)
<b>Proposed distribution of profit and loss</b>		<b>(7,807,429)</b>	<b>(13,442,610)</b>

## Balance sheet at 31.12.2025

### Assets

	Notes	2025 DKK	2024 DKK
Other fixtures and fittings, tools and equipment		275,050	461,288
Leasehold improvements		0	120,528
<b>Property, plant and equipment</b>	5	<b>275,050</b>	<b>581,816</b>
Investments in group enterprises		1,500,000	1,500,000
Deposits		327,200	1,212,737
<b>Financial assets</b>	6	<b>1,827,200</b>	<b>2,712,737</b>
<b>Fixed assets</b>		<b>2,102,250</b>	<b>3,294,553</b>
Trade receivables		182,745	52,136
Receivables from group enterprises		38,077,955	35,628,022
Other receivables		535,988	671,186
<b>Receivables</b>		<b>38,796,688</b>	<b>36,351,344</b>
<b>Cash</b>		<b>17,209,014</b>	<b>11,096,536</b>
<b>Current assets</b>		<b>56,005,702</b>	<b>47,447,880</b>

**Equity and liabilities**

	Notes	2025 DKK	2024 DKK
Contributed capital		22,051,059	22,026,059
Retained earnings		16,171,533	23,753,962
<b>Equity</b>		<b>38,222,592</b>	<b>45,780,021</b>
Convertible and dividend-yielding debt instruments	7	16,127,241	0
Deposits		202,531	187,549
<b>Non-current liabilities other than provisions</b>	8	<b>16,329,772</b>	<b>187,549</b>
Trade payables		1,361,517	1,610,408
Other payables		2,194,071	3,164,455
<b>Current liabilities other than provisions</b>		<b>3,555,588</b>	<b>4,774,863</b>
<b>Liabilities other than provisions</b>		<b>19,885,360</b>	<b>4,962,412</b>
<b>Equity and liabilities</b>		<b>58,107,952</b>	<b>50,742,433</b>
Other unrecognised commitments	9		
Contingent liabilities	10		
Assets charged and collateral	11		

## Statement of changes in equity for 2025

	Contributed capital DKK	Share premium DKK	Retained earnings DKK	Total DKK
Equity beginning of year	22,026,059	0	23,753,962	45,780,021
Increase of capital	25,000	225,000	0	250,000
Transferred from share premium	0	(225,000)	225,000	0
Profit/loss for the year	0	0	(7,807,429)	(7,807,429)
<b>Equity end of year</b>	<b>22,051,059</b>	<b>0</b>	<b>16,171,533</b>	<b>38,222,592</b>

The Company has only one class of shares, and each share of DKK 1 represents one note.

St. Jørgen Holding ApS has in 2023, 2024 and 2025 established incentive programmes under which employees and consultants of the company have been granted warrants. Warrants can be exercised by the warrant holders by subscription of shares in cash.

As of 31 December 2025 the total outstanding granted warrants amount to 158.727 of which 130.406 have

vested. Each warrant entitles the warrant holder to subscribe for a share of DKK 1 in St. Jørgen Holding ApS. In the event of an exit all warrants can be exercised to the extent that the warrants have not lapsed.

The incentive programme has not been recognised in the Financial Statements.

### Capital resources and liquidity

Cash and cash equivalents as of 1 January 2026 amount to DKK 17,2 million in the parent Company and DKK 20,1 million in the Group.

To secure financing and liquidity for the activities during 2026 and until FID of the most progressed project, the company has raised new equity and entered into a number of convertible loan agreements with existing shareholders and new investors. Furthermore, the company divested its real estate activities in 2025 and implemented various initiatives to reduce the cost base, including by adjusting the organization and by relocating to new and more centrally located office facilities.

In the beginning of 2026, the company raised additional equity and convertible loans for a total of DKK 6 million.

On this basis management considers the capital resources to be sufficient to finance the activities in 2026, and that it is appropriate to prepare the financial statements on a going concern basis.

## Notes

### 1 Staff costs

	2025 DKK	2024 DKK
Wages and salaries	10,137,147	9,792,828
Other social security costs	131,074	126,025
	<b>10,268,221</b>	<b>9,918,853</b>

Average number of full-time employees	<b>20</b>	<b>22</b>
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The 3 active founders have as of 1 June 2025 received a monthly salary of 75.000 DKK.

### 2 Depreciation, amortisation and impairment losses

	2025 DKK	2024 DKK
Depreciation of property, plant and equipment	186,398	188,274
	<b>186,398</b>	<b>188,274</b>

### 3 Other financial income

2025	2024
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	DKK	DKK
Financial income from group enterprises	1,854,390	876,223
Other interest income	30,971	468,788
Exchange rate adjustments	0	6,633
	<b>1,885,361</b>	<b>1,351,644</b>

#### 4 Other financial expenses

	2025 DKK	2024 DKK
Other interest expenses	0	1,789
Exchange rate adjustments	1,715	1,251
Other financial expenses	782,241	0
	<b>783,956</b>	<b>3,040</b>

#### 5 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK
Cost beginning of year	764,364	165,738
Disposals	(81,520)	(165,738)
<b>Cost end of year</b>	<b>682,844</b>	<b>0</b>
Depreciation and impairment losses beginning of year	(303,076)	(45,210)
Depreciation for the year	(150,157)	(36,241)
Reversal regarding disposals	45,439	81,451
<b>Depreciation and impairment losses end of year</b>	<b>(407,794)</b>	<b>0</b>
<b>Carrying amount end of year</b>	<b>275,050</b>	<b>0</b>

#### 6 Financial assets

	Investments in group enterprises DKK	Deposits DKK
Cost beginning of year	3,750,000	1,212,737
Additions	0	327,200

Disposals	0	(1,212,737)
<b>Cost end of year</b>	<b>3,750,000</b>	<b>327,200</b>
Impairment losses beginning of year	(2,250,000)	0
<b>Impairment losses end of year</b>	<b>(2,250,000)</b>	<b>0</b>
<b>Carrying amount end of year</b>	<b>1,500,000</b>	<b>327,200</b>

<b>Investments in subsidiaries</b>	<b>Registered in</b>	<b>Corporate form</b>	<b>Equity interest %</b>
- St. Jørgen Ejendomme A/S	Copenhagen	A/S	100.00
- Leitinum Sp/F	Torshavn, Faroe Islands	Sp/F	100.00
- St. Jørgen Energy A/S	Copenhagen	A/S	100.00
- Gl. Vraa A/S	Copenhagen	A/S	96.92
- Brøndum Kær ApS	Løgstør	ApS	100.00
- Hemdrup Kær ApS	Løgstør	ApS	100.00
- Bønderby ApS	Copenhagen	ApS	100.00
- Kæderup ApS	Copenhagen	ApS	100.00
- Volstrup Energi ApS	Copenhagen	ApS	100.00
- Gl. Vraa Vind ApS	Copenhagen	ApS	100.00
- Fremst Sp/F	Torshavn, Faroe Islands	Sp/F	100.00
- Ny Vraa Energi ApS	Copenhagen	ApS	100.00
- Torslev ApS	Copenhagen	ApS	100.00

	Amounts outstanding DKK	Deadline for conversion to equity interests
Convertible debt instruments redeemed at a premium	1,971,000	31.12.2029
Convertible debt instruments with interest	14,911,241	31.12.2027
	<b>16,882,241</b>	

As of 31 December 2025, total long-term convertible debt amounts to DKK 16,882,241 before amortisation cost of DKK 755,000. This comprises two main instruments:

- Convertible debt instruments with interest, which accrue 20% annual interest until 31 December 2026, after which interest is to be paid quarterly as it accrues.
- Convertible debt instruments redeemed at a premium, which are interest-free loans but redeemable at a quarterly adjusted premium. The premium factor as of 31 December 2025 is 1.35.

Lenders have the right to convert the debt into shares upon certain events, including maturity, as well as in the case of significant events such as major financing rounds. The conversion price is set at a 20–25% discount to the valuation in such rounds, or at a fixed price per share if no such event occurs.

### 8 Non-current liabilities other than provisions

	Due after more than 12 months 2025 DKK
Convertible and dividend-yielding debt instruments	16,127,241
Deposits	202,531
	<b>16,329,772</b>

### 9 Other unrecognised commitments

	2025 DKK	2024 DKK
<b>Unrecognised rental and lease commitments</b>		
Liabilities under rental or lease agreements until maturity in total	1,799,600	4,613,816

### 10 Contingent liabilities

The Company has issued letters of support to subsidiaries where the Company confirms that it will provide financial support with the purpose that the subsidiaries may continue as a going concern.

The company has provided joint and several parent company guarantees to the Danish TSO, Energinet, regarding

subsidiaries, which amount to 12 million DKK.

The Entity serves as the administration company in a Danish joint taxation arrangement. 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, if any, relating to the withholding of tax on interest, royalties and dividend for these entities.

#### **11 Assets charged and collateral**

The Company guarantees for a limited period the fulfillment of obligations under incoming land lease agreements for use in developing solar energy projects in Denmark by subsidiaries (project development companies).

## **Accounting policies**

### **Basis for financial statements**

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.

The accounting policies applied to these financial statements are consistent with those applied 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.

#### **Income statement**

##### **Gross profit or loss**

Gross profit or loss comprises other operating income and external expenses.

##### **Revenue**

Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

##### **Other operating income**

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities.

##### **Other external expenses**

Other external expenses include expenses relating to the Entity's ordinary activities, including administrative and audit costs.

##### **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 operating expenses**

Other operating expenses comprise expenses of a secondary nature as viewed in relation to the Entity's primary activities.

##### **Other financial income**

Other financial income comprises interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets, and tax relief under the Danish Tax Prepayment Scheme etc.

**Impairment losses on financial assets**

Impairment losses on financial assets comprise impairment losses on financial assets which are not measured at fair value on a current basis.

**Other financial expenses**

Other financial expenses comprise 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.

**Balance sheet****Property, plant and equipment**

Land and buildings, plant and machinery, and other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

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.

Interest expenses on loans for the financing of the manufacture of property, plant and equipment are included in cost if they relate to the manufacturing period. All other finance costs are recognised in the income statement.

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:

	<b>Useful life</b>
Other fixtures and fittings, tools and equipment	5 years
Leasehold improvements	5 years

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.

**Investments in group enterprises**

Investments in group enterprises are measured at cost. Investments 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.

**Cash**

Cash comprises cash in hand and bank deposits.

**Convertible and dividend-yielding debt instruments**

Convertible debt is initially recognised at the fair value of proceeds received, net of direct transaction costs, and

subsequently measured at amortised cost. The debt is classified as a financial liability until conversion into shares occurs. Upon conversion, the carrying amount is transferred to equity.

**Other financial liabilities**

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