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# ***LM Group Holding A/S***

Jupitervej 6, DK-6000 Kolding

## **Annual Report for 2023**

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CVR No. 25 71 17 77

The Annual Report was  
presented and adopted  
at the Annual General  
Meeting of the  
company  
on 16/7 2024

Vibeke Dittrich  
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 LM Group Holding 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.

Further, in our opinion, Management's Review gives a fair review of the matters discussed in the Management's review.

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

Kolding, 16 July 2024

## Executive Board

Hanif Mashal  
CEO

## Board of Directors

Vibeke Dittrich  
Chairman

Hanif Mashal

Ignazio Alessandro Imburgia

Nikolaj Toft

Jeppe Bjørn Jørgensen  
Employee representative

# Independent Auditor's report

To the shareholder of LM Group Holding A/S

## Opinion

We have audited the Financial Statements of LM Group Holding 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 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 December 2023 and of the results of its operations for the financial year 1 January - 31 December 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 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.

# 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 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 contents 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 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.

In connection with our audit 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 audit 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.

Copenhagen, 16 July 2024

## Deloitte

Statsautoriseret Revisionspartnerselskab

CVR No 33 96 35 56

Lars Andersen

State Authorised Public Accountant

mne27762

Martin Pieper

State Authorised Public Accountant

mne44063

## Company information

<b>The Company</b>	LM Group Holding A/S Jupitervej 6 6000 Kolding  Website: <a href="http://www.lmwindpower.com">www.lmwindpower.com</a>  CVR No: 25 71 17 77 Financial period: 1 January - 31 December Incorporated: 13 November 2000 Municipality of reg. office: Kolding
<b>Board of Directors</b>	Vibeke Dittrich, chairman Hanif Mashal Ignazio Alessandro Imburgia Nikolaj Toft Jeppe Bjørn Jørgensen, employee representative
<b>Executive Board</b>	Hanif Mashal
<b>Auditors</b>	Deloitte Statsautoriseret Revisionspartnerselskab Weidekampsgade 6 DK-2300 Copenhagen S

# Management's review

## Key activities

The Company's main activity is to own shares in subsidiaries and to provide management services to the subsidiaries.

## Development in the year

The income statement of the Company for 2023 shows a loss of TDKK 3,356,008 (2022: TDKK 5,534,586 loss), and at 31 December 2023 the balance sheet of the Company shows a negative equity of TDKK 4,567,989 (2022: 1,211,981 negative).

The result for the year is mainly impacted by impairment of investments in subsidiaries, which is driven by the significant market trends affecting the Wind Energy business on the short term. These dynamics resulted in significant decline in the 2023 profit, in the forecast and on the short term projected financial information of LM group, which is the main driver for the impairment of the investment in subsidiaries of TDKK 3,110,087 recorded in 2023.

Despite the challenges, the mid and long-term outlook for wind energy is positive. Wind power is poised to play a vital role in accelerating the global energy transition with energy system reform packages in Europe and other region.

## Capital resources

On 11 July 2024 the Company received a TDKK 1,212,000 capital contribution from the parent entity. The Company expects to further recapitalize the equity via future earnings and/or further contributions from the parent entity.

The Company's ability to continue to finance business operations is ensured by having continued access to financing from the GE Vernova's cash pool and / or borrowings.

## Uncertainty relating to recognition and measurement

Recognition and measurement in the Annual Report have been subject to uncertainty related to the impairment and valuation of investments in subsidiaries, which are depending on management estimates for the future income in the subsidiaries.

## Subsequent events

In January 2024 the Company announced a restructuring plan for LM Wind Power Group globally which also impacts LM Group Holding A/S. The restructuring plan includes the re-alignment of the business structure as well as the closure of plants and reduction in the workforce.

The restructuring plan will positively impact the profitability going forward. There is no impact on the Financial Statements as of 31 December 2023.

On 11 July 2024 the Company received a TDKK 1,212,000 capital contribution from the parent entity.

## Income statement 1 January - 31 December

	Note	2023	2022
		TDKK	TDKK
<b>Gross profit</b>		<b>39,775</b>	<b>42,694</b>
Staff expenses	2	-35,278	-38,362
<b>Profit/loss before financial income and expenses</b>		<b>4,497</b>	<b>4,332</b>
Income from investments in subsidiaries	3	-3,110,087	-5,509,842
Financial income	4	4,807	2,414
Financial expenses	5	-255,225	-24,503
<b>Profit/loss before tax</b>		<b>-3,356,008</b>	<b>-5,527,599</b>
Tax on profit/loss for the year		0	-6,987
<b>Net profit/loss for the year</b>		<b>-3,356,008</b>	<b>-5,534,586</b>
 <b>Distribution of profit</b>			
		2023	2022
		TDKK	TDKK
<b>Proposed distribution of profit</b>			
Retained earnings		-3,356,008	-5,534,586
		<b>-3,356,008</b>	<b>-5,534,586</b>

## Balance sheet 31 December

### Assets

	Note	2023	2022
		TDKK	TDKK
Investments in subsidiaries		2,760,776	3,350,863
<b>Fixed asset investments</b>		<b>2,760,776</b>	<b>3,350,863</b>
<b>Fixed assets</b>		<b>2,760,776</b>	<b>3,350,863</b>
Receivables from group enterprises		8,598	2,252
Other receivables		886	2,725
Prepayments		68	5,763
<b>Receivables</b>		<b>9,552</b>	<b>10,740</b>
<b>Current assets</b>		<b>9,552</b>	<b>10,740</b>
<b>Assets</b>		<b>2,770,328</b>	<b>3,361,603</b>

## Balance sheet 31 December

### Liabilities and equity

	Note	2023	2022
		TDKK	TDKK
Share capital		70,065	70,065
Retained earnings		-4,638,054	-1,282,046
<b>Equity</b>		<b>-4,567,989</b>	<b>-1,211,981</b>
Other provisions		8,618	8,208
<b>Provisions</b>		<b>8,618</b>	<b>8,208</b>
Payables to group enterprises		6,020,000	1,285,000
<b>Long-term debt</b>	6	<b>6,020,000</b>	<b>1,285,000</b>
Trade payables		6,887	601
Payables to group enterprises	6	1,287,644	3,256,751
Other payables		15,168	23,024
<b>Short-term debt</b>		<b>1,309,699</b>	<b>3,280,376</b>
<b>Debt</b>		<b>7,329,699</b>	<b>4,565,376</b>
<b>Liabilities and equity</b>		<b>2,770,328</b>	<b>3,361,603</b>
Going concern	1		
Contingent assets, liabilities and other financial obligations	7		
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## Statement of changes in equity

	Share capital	Retained earnings	Total
	TDKK	TDKK	TDKK
Equity at 1 January	70,065	-1,282,046	-1,211,981
Net profit/loss for the year	0	-3,356,008	-3,356,008
<b>Equity at 31 December</b>	<b>70,065</b>	<b>-4,638,054</b>	<b>-4,567,989</b>

# Notes to the Financial Statements

## 1. Going concern

The Company has realized a loss of TDKK 3,356,008 during 2023, which increased the negative position of the Company's equity. As of 31 December 2023, the equity had a negative value of TDKK 4,567,989.

On 11 July 2024 the Company received a TDKK 1,212,000 capital contribution from the parent entity. The Company expects to further recapitalize the equity via future earnings and/or further contributions from the parent entity.

The Company's ability to continue to finance business operations is ensured by having continued access to financing from the GE Vernova's cash pool and / or borrowings.

## 2. Staff Expenses

	2023	2022
	TDKK	TDKK
Wages and salaries	32,489	35,781
Pensions	2,555	2,365
Other social security expenses	234	216
	<u>35,278</u>	<u>38,362</u>
Average number of employees	<u>36</u>	<u>39</u>

## 3. Income from investments in subsidiaries

	2023	2022
	TDKK	TDKK
Impairment of investments in subsidiaries	-3,110,087	-5,509,842
	<u>-3,110,087</u>	<u>-5,509,842</u>

## 4. Financial income

	2023	2022
	TDKK	TDKK
Interest received from group enterprises	2,889	507
Other financial income	1,918	1,907
	<u>4,807</u>	<u>2,414</u>

## Notes to the Financial Statements

	<u>2023</u>	<u>2022</u>
	TDKK	TDKK
<b>5. Financial expenses</b>		
Interest paid to group enterprises	252,118	24,344
Other financial expenses	3,107	159
	<u>255,225</u>	<u>24,503</u>

	<u>2023</u>	<u>2022</u>
	TDKK	TDKK
<b>6. Long-term debt</b>		

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

### Payables to group enterprises

After 5 years	0	0
Between 1 and 5 years	6,020,000	1,285,000
Long-term part	6,020,000	1,285,000
Other short-term debt to group enterprises	1,287,644	3,256,751
	<u>7,307,644</u>	<u>4,541,751</u>

	<u>2023</u>	<u>2022</u>
	TDKK	TDKK
<b>7. Contingent assets, liabilities and other financial obligations</b>		
<b>Guarantee obligations</b>		
Guarantees issued towards customers and trading partners for subsidiaries	8,943	64,701

The Danish group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. LM Group Holding A/S is the management company of the joint taxation. 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

## 8. Related parties and disclosure of consolidated financial statements

### Consolidated Financial Statements

The Company is included in the Group Annual Report of the Parent Company of the largest and smallest group:

<u>Name</u>	<u>Place of registered office</u>
General Electric Company	Boston, MA 02210, USA

The Group Annual Report of General Electric Company may be obtained at the following address: General Electric Company, 41 Farnsworth Street, Boston, Massachusetts, 02210, USA. General Electric Company prepares consolidated financial statements for the smallest and biggest Group, in which LM Group Holding A/S is a subsidiary. The annual accounts of the parent company are available at [www.ge.com](http://www.ge.com).

# Notes to the Financial Statements

## 9. Accounting policies

The Annual Report of LM Group Holding 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 accounting policies applied remain unchanged from last year.

The Financial Statements for 2023 are presented in TDKK.

### Consolidated financial statements

With reference to section 112 of the Danish Financial Statements Act and to the consolidated financial statements for 2023 of General Electric Company, the Company has not prepared consolidated financial statements.

### Cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act and to the cash flow statement included in the consolidated financial statements of General Electric Company, the Company has not prepared a cash flow statement.

### Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial 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 impairment losses and provisions.

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.

### Business combinations

#### *Pooling of interests*

Intragroup business combinations are accounted for under the pooling-of-interests method. Under this method, the two enterprises are combined at carrying amounts, and no differences are identified. Any consideration which exceeds the carrying amount of the acquired enterprise is recognised directly in equity. The pooling-of-interests method is applied as if the two enterprises had always been combined by restating comparative figures.

### Translation policies

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

# Notes to the Financial Statements

## Income statement

### Revenue

Revenue from the sale of services is recognised when the risks and rewards relating to the services 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.

Revenue comprise intercompany management services.

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 expenses for premises as well as office expenses, etc.

### Gross profit

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

### Staff expenses

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

### Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Company, including refund of VAT for prior years.

### Income from investments in subsidiaries

Dividends from subsidiaries are recognised as income in the income statement when adopted at the General Meeting of the subsidiary. However, dividends relating to earnings in the subsidiary before it was acquired by the Parent Company are set off against the cost of the subsidiary.

In addition, impairment of investments in subsidiaries and reversal of impairment of investments in subsidiaries are recognised as income from investments in subsidiaries.

### 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 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.

The Company is jointly taxed with wholly owned Danish and foreign subsidiaries. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

# Notes to the Financial Statements

## Balance sheet

### Investments in subsidiaries

Investments in subsidiaries are measured at cost. Where cost exceeds the recoverable amount, write-down is made to this lower value.

### 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 insurance premiums and tuition fees.

### Provisions

In measuring provisions, the expenses required to settle the liability are discounted to net present value, if this has a significant effect on the measurement of the liability. Provisions are recognised when - in consequence of an event occurred before or on the balance sheet date - the Company has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation.

### 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, 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 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 receivables are recognised in the balance sheet as the expected taxable income for the year.

### Financial liabilities

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