Trunk Holding ApS

Overgaden Neden Vandet 17, 2.
1414 København K
CVR No. 43728059

Annual report 2024

The Annual General Meeting adopted the annual report on 12.06.2025

Casper Kaae Sønderby
Chairman of the General Meeting

Contents

Entity details

Entity

Trunk Holding ApS
Overgaden Neden Vandet 17, 2.
1414 København K

Business Registration No.: 43728059
Registered office: København
Financial year: 01.01.2024 - 31.12.2024

Executive Board

Casper Kaae Sønderby
Søren Kaae Sønderby

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
City Tower, Værkmestergade 2
8000 Aarhus C

Statement by Management on the annual report

The Executive Board has today considered and approved the annual report of Trunk Holding ApS for the financial year 01.01.2024 - 31.12.2024.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2024 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2024 - 31.12.2024.

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, 12.06.2025

Executive Board

Casper Kaae Sønderby

Søren Kaae Sønderby

Independent auditor's report

To the shareholders of Trunk Holding ApS

Opinion

We have audited the consolidated financial statements and the parent financial statements of Trunk Holding ApS for the financial year 01.01.2024 - 31.12.2024, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as the Parent, and the consolidated cash flow statement. The consolidated financial statements and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2024 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2024 - 31.12.2024 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 consolidated financial statements and the parent financial statements" section of this auditor's report. We are independent of the Group 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 consolidated financial statements and the parent financial statements

Management is responsible for the preparation of consolidated financial statements and parent 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 consolidated financial statements and parent financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and the parent financial statements, Management is responsible for assessing the Group's and 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 consolidated financial statements and the parent 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 consolidated financial statements and the parent financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent 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 consolidated financial statements and parent 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 consolidated financial statements and the parent 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 Group's and 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 consolidated financial statements and the parent 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 Group's and 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 consolidated financial statements and the parent 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 Group and the Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated financial statements and the parent financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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 consolidated financial statements and the parent 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 consolidated financial statements and the parent financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the consolidated financial statements and the parent 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 consolidated financial statements and the parent 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.

Aarhus, 12.06.2025

Deloitte
Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Mads Fauerskov
State Authorised Public Accountant
Identification No (MNE) mne35428

Kasper Pagter Gjerløv
State Authorised Public Accountant
Identification No (MNE) mne50622

Management commentary

Primary activities
The group is active on the power markets in Europe and the US. The primary business areas are power trading and control and optimization of physical assets.

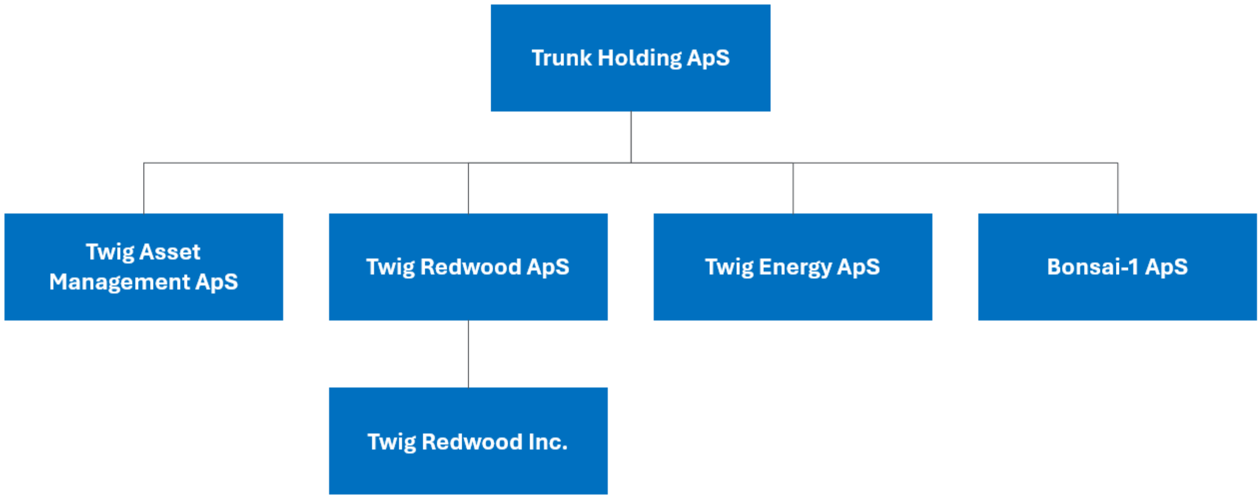
The group consits of the companies Trunk Holding ApS, Twig Energy ApS, Twig Redwood ApS and Twig Redwood Inc., Twig Asset Management and Bonsai-1 ApS.

Profit/loss for the year in relation to expected developments
The group realized a profit after tax of 82,6 m.DKK during 2024, an increase of 110 % as compared to the 2023 results. No guidance has been provided for the financial results in 2024, however the management considers the results satisfactory and within expectations. The group expects to continue its positive development in 2025.

Outlook
The group expects to continue to grow its power trading business by further maturing existing markets and continue its global expansion into new markets. Profit after tax is expected to be between 150 - 200M DKK for 2025.

Research and development activities
The group primary resources is its highly skilled workforce. The group processes unique capabilities within AI, software and operational excellence which is expected to continue to be a competitive advantage. Going forward the group will continue to develop its market leading platform for fully automated power trading and asset management in 2025.

Group relations
The Group structure as per 31.12.2024 is as follows:



Foreign branches
Twig Energy ApS NUF branch
The branch realised a profit of DKK 1,1 m.DKK for the financial year 2024. Management considers the results for the year as expected.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Parent treasury shares

	Number	Nominal value DKK	Share of contributed capital %	Purchase/ (selling) price DKK
Ordinary shares	18,827	18,827	4.60	6,000,000
Investments acquired	**18,827**	**18,827**	**4.60**	
Ordinary shares	18,827	18,827	4.60	
Holding of treasury shares	**18,827**	**18,827**	**4.60**	

As part of an agreement with its shareholders, the company has taken over a share of the ownership of its own shares.

Consolidated income statement for 2024

	Notes	2024 DKK	2023 DKK
Gross profit/loss		**122,844,367**	**62,027,534**
Staff costs	1	(14,010,217)	(9,707,200)
Depreciation, amortisation and impairment losses		(4,107,410)	(1,873,099)
Operating profit/loss		**104,726,740**	**50,447,235**
Income from investments in associates		(1,609,449)	0
Income from investments in participating interests		0	(93,260)
Other financial income	2	3,859,974	1,285,644
Other financial expenses	3	(476,759)	(525,611)
Profit/loss before tax		**106,500,506**	**51,114,008**
Tax on profit/loss for the year	4	(23,921,558)	(11,855,117)
Profit/loss for the year		**82,578,948**	**39,258,891**
Proposed distribution of profit and loss			
Retained earnings		82,578,948	39,258,891
Proposed distribution of profit and loss		**82,578,948**	**39,258,891**

Consolidated balance sheet at 31.12.2024

Assets

	Notes	2024 DKK	2023 DKK
Completed development projects	6	7,990,513	6,869,962
Acquired intangible assets		0	0
Development projects in progress	6	0	0
Intangible assets	5	**7,990,513**	**6,869,962**
Other fixtures and fittings, tools and equipment		44,634	154,169
Property, plant and equipment	7	**44,634**	**154,169**
Investments in associates		18,297,291	0
Investments in participating interests		0	6,906,740
Other investments		50,722	0
Deposits		476,283	665,763
Financial assets	8	**18,824,296**	**7,572,503**
Fixed assets		**26,859,443**	**14,596,634**
Other receivables	9	82,979,107	25,217,675
Tax receivable		0	33,724
Prepayments		44,310	24,818
Receivables		**83,023,417**	**25,276,217**
Cash		**60,289,764**	**41,518,367**
Current assets		**143,313,181**	**66,794,584**
Assets		**170,172,624**	**81,391,218**

Equity and liabilities

	Notes	2024 DKK	2023 DKK
Contributed capital		409,304	409,304
Retained earnings		158,338,611	75,296,445
Equity		**158,747,915**	**75,705,749**
Deferred tax		1,713,000	1,475,000
Provisions		**1,713,000**	**1,475,000**
Deposits		0	189,480
Non-current liabilities other than provisions		**0**	**189,480**
Trade payables		3,737,161	1,696,481
Payables to owners and management		414,396	414,396
Tax payable		4,154,498	593,175
Other payables		1,266,320	964,438
Deferred income		139,334	352,499
Current liabilities other than provisions		**9,711,709**	**4,020,989**
Liabilities other than provisions		**9,711,709**	**4,210,469**
Equity and liabilities		**170,172,624**	**81,391,218**
Fair value information	11		
Unrecognised rental and lease commitments	12		
Assets charged and collateral	13		
Subsidiaries	14		

Consolidated statement of changes in equity for 2024

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	409,304	75,296,445	75,705,749
Exchange rate adjustments	0	463,218	463,218
Profit/loss for the year	0	82,578,948	82,578,948
Equity end of year	**409,304**	**158,338,611**	**158,747,915**

Consolidated cash flow statement for 2024

	Notes	2024 DKK	2023 DKK
Operating profit/loss		104,726,740	50,447,235
Amortisation, depreciation and impairment losses		4,107,410	1,873,099
Working capital changes	10	(55,188,309)	(21,473,643)
Cash flow from ordinary operating activities		**53,645,841**	**30,846,691**
Financial income received		3,859,974	1,285,644
Financial expenses paid		(476,759)	(525,611)
Taxes refunded/(paid)		(20,088,511)	(23,450,111)
Cash flows from operating activities		**36,940,545**	**8,156,613**
Acquisition etc. of intangible assets		(5,118,426)	(5,545,761)
Sale of property, plant and equipment		0	11,938
Acquisition of fixed asset investments		(13,050,722)	(7,000,000)
Deposits made		0	(530,763)
Cash flows from investing activities		**(18,169,148)**	**(13,064,586)**
Free cash flows generated from operations and investments before financing		**18,771,397**	**(4,907,973)**
Acquisition of treasury shares		0	(6,000,000)
Cash flows from financing activities		**0**	**(6,000,000)**
Increase/decrease in cash and cash equivalents		**18,771,397**	**(10,907,973)**
Cash and cash equivalents beginning of year		41,518,367	52,426,340
Cash and cash equivalents end of year		**60,289,764**	**41,518,367**
Cash and cash equivalents at year-end are composed of:			
Cash		60,289,764	41,518,367
Cash and cash equivalents end of year		**60,289,764**	**41,518,367**

Notes to consolidated financial statements

1 Staff costs

	2024 DKK	2023 DKK
Wages and salaries	13,894,174	9,633,126
Pension costs	60,900	35,070
Other social security costs	55,143	39,004
	14,010,217	**9,707,200**

Average number of full-time employees	15	11

2 Other financial income

	2024 DKK	2023 DKK
Other interest income	2,041,886	1,229,797
Exchange rate adjustments	1,818,088	55,847
	3,859,974	**1,285,644**

3 Other financial expenses

	2024 DKK	2023 DKK
Other interest expenses	107,748	268,609
Exchange rate adjustments	197,993	257,002
Other financial expenses	171,018	0
	476,759	**525,611**

4 Tax on profit/loss for the year

	2024 DKK	2023 DKK
Current tax	23,395,935	10,922,050
Change in deferred tax	525,623	832,458
Adjustment concerning previous years	0	100,609
	23,921,558	**11,855,117**

5 Intangible assets

	Completed development projects DKK	Acquired intangible assets DKK	Development projects in progress DKK
Cost beginning of year	9,434,411	111,580	0
Transfers	5,118,426	0	(5,118,426)
Additions	0	0	5,118,426
Cost end of year	**14,552,837**	**111,580**	**0**
Amortisation and impairment losses beginning of year	(2,564,449)	(111,580)	0
Amortisation for the year	(3,997,875)	0	0
Amortisation and impairment losses end of year	**(6,562,324)**	**(111,580)**	**0**
Carrying amount end of year	**7,990,513**	**0**	**0**

6 Development projects

During the financial year, our company developed a development project related to the creation of a machine learning model.

The objective of this project was to gain an enhanced understanding of electricity markets. This innovative machine learning model aims to leverage advanced algorithms and vast data sets to anticipate market trends, price fluctuations, and other important factors in the electricity market.

The insights generated by this model are intended to support strategic decisions, optimize energy trading, and ultimately lead to improved financial performance. The project, in its development phase, has required significant investment for data procurement, infrastructure development, and specialized personnel hiring. This development has been classified as completed development projects and will be depreciated over the projected useful life of the model.

We believe that this project represents an investment in our company's future capabilities and competitiveness in a rapidly evolving market.

7 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK
Cost beginning of year	485,277
Cost end of year	**485,277**
Depreciation and impairment losses beginning of year	(331,108)
Depreciation for the year	(109,535)
Depreciation and impairment losses end of year	**(440,643)**
Carrying amount end of year	**44,634**

8 Financial assets

	Investments in associates DKK	Investments in participa-ting interests DKK	Other investments DKK	Deposits DKK
Cost beginning of year	0	7,000,000	0	665,763
Transfers	7,000,000	(7,000,000)	0	0
Additions	13,000,000	0	50,722	0
Disposals	0	0	0	(189,480)
Cost end of year	**20,000,000**	**0**	**50,722**	**476,283**
Revaluations beginning of year	0	(93,260)	0	0
Transfers	(93,260)	93,260	0	0
Amortisation of goodwill	(973,904)	0	0	0
Share of profit/loss for the year	(635,545)	0	0	0
Revaluations end of year	**(1,702,709)**	**0**	**0**	**0**
Carrying amount end of year	**18,297,291**	**0**	**50,722**	**476,283**
Goodwill or negative goodwill recognised during the financial year	4,949,541	0		

Trunk Holding has increased their ownership in SP BAT01F ApS in 2024, which is why it has been transferred from other investments to Investments in participating interests in 2024.
The value of goodwill in associated companies as of 31-12-2024 amounts to 9.1 million DKK.

Associates	**Registered in**	**Ownership %**
SP BAT01F ApS	Odense	49.00

9 Other receivables

Of the company's other receivables, DKK 82,7 million has been deposited for security for balances on energy trading.

10 Changes in working capital

	2024 DKK	2023 DKK
Increase/decrease in receivables	(57,591,444)	(23,596,093)
Increase/decrease in trade payables etc.	2,403,135	2,122,450
	(55,188,309)	**(21,473,643)**

11 Fair value information

	Listed shares DKK
Fair value end of year	50,722

12 Unrecognised rental and lease commitments

	2024 DKK	2023 DKK
Total liabilities under rental or lease agreements until maturity	1,929,978	3,183,178

13 Assets charged and collateral

As security for the Twig Energy ApS' engagement with its bank connection one account with a deposit of 11.190 T.DKK. has been pledged for all balances.

Twig Energy ApShas also, through its bank connection, established payment guarantees to third parties amounting to 11.190 T.DKK as of the balance sheet date.

14 Subsidiaries

	Registered in	Corporate form	Ownership %
Twig Energy ApS	Copenhagen	ApS	100.00
Twig Redwood ApS	Copenhagen	ApS	100.00
Twig Redwood Inc.	USA	Inc.	100.00
Twig Asset Management ApS	Copenhagen	ApS	100.00
Bonsai-1 ApS	Copenhagen	ApS	100.00

In 2024, the Group has established the subsidiary Twig Asset Mangement ApS and Bonsai-1 ApS, which is included in the consolidated financial statements in 2024.

Parent income statement for 2024

	Notes	2024 DKK	2023 DKK
Gross profit/loss		**(235,549)**	**(37,501)**
Income from investments in group enterprises		84,230,281	39,000,036
Income from investments in associates		(1,609,449)	0
Income from investments in participating interests		0	(93,260)
Other financial income from group enterprises		39,631	0
Other financial income	1	436,037	474,602
Financial expenses from group enterprises		(6,241)	0
Other financial expenses	2	(239,086)	(5,984)
Profit/loss before tax		**82,615,624**	**39,337,893**
Tax on profit/loss for the year	3	(36,676)	(79,002)
Profit/loss for the year		**82,578,948**	**39,258,891**
Proposed distribution of profit and loss			
Retained earnings		82,578,948	39,258,891
Proposed distribution of profit and loss		**82,578,948**	**39,258,891**

Parent balance sheet at 31.12.2024

Assets

	Notes	2024 DKK	2023 DKK
Investments in group enterprises		135,298,393	50,524,894
Investments in associates		18,297,291	0
Investments in participating interests		0	6,906,740
Financial assets	4	**153,595,684**	**57,431,634**
Fixed assets		**153,595,684**	**57,431,634**
Receivables from group enterprises		4,215,381	0
Joint taxation contribution receivable		3,875,248	507,945
Receivables		**8,090,629**	**507,945**
Cash		**1,890,754**	**18,649,588**
Current assets		**9,981,383**	**19,157,533**
Assets		**163,577,067**	**76,589,167**

Equity and liabilities

	Notes	2024 DKK	2023 DKK
Contributed capital		409,304	409,304
Translation reserve		0	(11,648)
Reserve for net revaluation according to equity method		12,909,477	41,918,687
Retained earnings		145,429,134	33,389,406
Equity		**158,747,915**	**75,705,749**
Trade payables		159,800	78,000
Payables to group enterprises		0	212,487
Tax payable		3,902,589	592,931
Joint taxation contribution payable		9,335	0
Other payables	5	757,428	0
Current liabilities other than provisions		**4,829,152**	**883,418**
Liabilities other than provisions		**4,829,152**	**883,418**
Equity and liabilities		**163,577,067**	**76,589,167**
Employees	6		
Contingent liabilities	7		

Parent statement of changes in equity for 2024

	Contributed capital DKK	Translation reserve DKK	Reserve for net revaluation according to the equity method DKK	Retained earnings DKK	Total DKK
Equity beginning of year	409,304	(11,648)	41,918,687	33,389,406	75,705,749
Exchange rate adjustments	0	0	463,218	0	463,218
Dividends from group enterprises	0	0	(112,000,000)	112,000,000	0
Transfer to reserves	0	11,648	0	(11,648)	0
Profit/loss for the year	0	0	82,527,572	51,376	82,578,948
Equity end of year	**409,304**	**0**	**12,909,477**	**145,429,134**	**158,747,915**

Notes to parent financial statements

1 Other financial income

	2024 DKK	2023 DKK
Other interest income	203,082	474,602
Exchange rate adjustments	232,955	0
	436,037	**474,602**

2 Other financial expenses

	2024 DKK	2023 DKK
Other interest expenses	0	5,984
Exchange rate adjustments	72,558	0
Other financial expenses	166,528	0
	239,086	**5,984**

3 Tax on profit/loss for the year

	2024 DKK	2023 DKK
Current tax	36,676	79,002
	36,676	**79,002**

4 Financial assets

	Investments in group enterprises DKK	Investments in associates DKK	Investments in participating interests DKK
Cost beginning of year	8,606,207	0	7,000,000
Transfers	0	7,000,000	(7,000,000)
Additions	80,000	13,000,000	0
Cost end of year	**8,686,207**	**20,000,000**	**0**
Revaluations beginning of year	41,918,687	0	(93,260)
Exchange rate adjustments	463,218	0	0
Transfers	0	(93,260)	93,260
Amortisation of goodwill	0	(973,904)	0
Share of profit/loss for the year	84,230,281	(635,545)	0
Revaluations end of year	**126,612,186**	**(1,702,709)**	**0**
Carrying amount end of year	**135,298,393**	**18,297,291**	**0**
Goodwill or negative goodwill recognised during the financial year	0	4,949,541	0

A specification of investments in subsidiaries is evident from the notes to the consolidated financial statements.

Trunk Holding has increased their ownership in SP BAT01F ApS in 2024, which is why it has been transferred from other investments to Investments in participating interests in 2024.
The value of goodwill in associated companies as of 31-12-2024 amounts to 9.1 million DKK.

Investments in associates	Registered in	Corporate form	Ownership %
SP BAT01F ApS	Odense	ApS	49.00

5 Other payables

	2024 DKK	2023 DKK
Other costs payable	757,428	0
	757,428	**0**

6 Employees

The Entity has no employees other than the Executive Board. The Executive Officer has not received any remuneration.

7 Contingent liabilities

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, and also for obligations, if any, relating to the withholding of tax on interest, royalties and dividends for these entities.

Accounting policies

Reporting class

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 consolidated financial statements and parent financial statements are consistent with those applied last year.

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.

Consolidated financial statements

The consolidated financial statements comprise the Parent and the group enterprises (subsidiaries) that are controlled by the Parent. Control is achieved by the Parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising controlling influence. Enterprises in which the Group, directly or indirectly, holds between 20% and 50% of the voting rights and exercises significant, but not controlling, influence are regarded as associates.

Basis of consolidation

The consolidated financial statements are prepared on the basis of the financial statements of the Parent and its subsidiaries. The consolidated financial statements are prepared by combining uniform items. On consolidation, intra-group income and expenses, intra-group accounts and dividends as well as profits and losses on transactions between the consolidated enterprises are eliminated. The financial statements used for consolidation have been prepared applying the Group's accounting policies.

Subsidiaries' financial statement items are recognised in full in the consolidated financial statements.

Investments in subsidiaries are offset at the pro rata share of such subsidiaries' net assets at the acquisition date, with net assets having been calculated at fair value.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses.

When recognising foreign subsidiaries and associates that are independent entities, the income statements are translated at average exchange rates for the months that do not significantly deviate from the rates at the transaction date. Balance sheet items are translated using the exchange rates at the balance sheet date. Goodwill is considered belonging to the independent foreign entity and is translated using the exchange rate at the balance sheet date. Exchange differences arising out of the translation of foreign subsidiaries' equity at the beginning of the year at the balance sheet date exchange rates and out of the translation of income statements from average rates to the exchange rates at the balance sheet date are recognised directly in the translation reserve in equity.

Exchange adjustments of outstanding accounts with independent foreign subsidiaries, which are considered part of the total investment in the subsidiary in question, are recognised directly in the translation reserve in equity.

Income statement

Gross profit or loss

Gross profit or loss comprises net trading income, own work capitalised, other operating income and external expenses.

Own work capitalised

Own work capitalised comprises staff costs and other costs incurred in the financial year and recognised in cost for proprietary intangible assets and property, plant and equipment.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities, including profit from the sale of intangible assets and property, plant and equipment, and salary refunds.

Net trading income

Net trading income result from power trading. Net trading income is recognised in the income statement on the day the net transaction is realised. All the companys positions is closed daily, and no open positions exists on the balance sheet date.

Net trading income is the difference between gross purchases and sales transactions, and is thus shown as a net profit.

Other external expenses
Other external expenses include expenses relating to the Entity's normal activities, including expenses for premises, stationery and office supplies, etc.

Staff costs
Staff costs comprise wages and salaries, 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.

Income from investments in group enterprises
Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of intra-group profits or losses.

Income from investments in associates
Income from investments in associates comprises the pro rata share of the individual associates' profit/loss after pro rata elimination of intra-group profits or losses.

Income from investments in participating interests
Income from investments in participating interests comprises the pro rata share of the individual participating interests' profit/loss after pro rata elimination of intra-group profits or losses.

Other financial income from group enterprises
Other financial income from group enterprises comprises interest income etc. on receivables from group enterprises.

Other financial income
Other financial income comprises interest income, net capital or exchange gains on securities, payables and transactions in foreign currencies etc.

Financial expenses from group enterprises
Financial expenses from group enterprises comprise interest expenses etc. from payables to group enterprises.

Other financial expenses
Other financial expenses comprise interest expenses, net capital or exchange losses on securities, payables and transactions in foreign currencies and tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year
Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Parent is jointly taxed with all of its Danish group enterprises. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet

Intellectual property rights etc.
Intellectual property rights etc. comprise development projects completed and in progress with related intellectual property rights and acquired intellectual property rights.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred. When recognising development projects as intangible assets, an amount equalling the costs incurred less deferred tax is taken to equity in the reserve for development costs that is reduced as the development projects are amortised and written down.

The cost of development projects comprises costs such as salaries and amortisation that are directly and indirectly attributable to the development projects.
Completed development projects are amortised on a straight-line basis using their estimated useful lives which are determined based on a specific assessment of each development project. If the useful life cannot be estimated reliably, it is fixed at 10 years. For development projects protected by intellectual property rights, the maximum period of amortisation is the remaining duration of the relevant rights. The amortisation periods used are 3 years.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised on a straight-line basis over their remaining duration, and licences are amortised on a straight-line basis over the term of the agreement.

Intellectual property rights etc. are written down to the lower of recoverable amount and carrying amount.

Property, plant and equipment
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.

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:

	Useful life
Other fixtures and fittings, tools and equipment	2-5 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 recognised and measured in the parent financial statements according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity

value.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to the reserve for net revaluation according to the equity method in equity.

Investments in group enterprises are written down to the lower of recoverable amount and carrying amount.

Investments in associates

Investments in associates are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the associates' equity value plus unamortised goodwill and plus or minus unrealised pro rata intra-group profits and losses.

Upon distribution of profit or loss, net revaluation of investments in associates is transferred to the reserve for net revaluation according to the equity method in equity.

Goodwill is the difference between cost of investments and fair value of the pro rata share of assets and liabilities arising from acquisitions. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. For the total amount of goodwill, useful life has been determined based on an assessment of whether the enterprises are strategically acquired enterprises with a strong market position and a long-term earnings profile and whether the amount of goodwill includes intangible resources of a temporary nature that cannot be separated and recognised as separate assets. Useful lives are reassessed annually. The amortisation periods used are 7 years.

Investments in associates are written down to the lower of recoverable amount and carrying amount.

Investments in participating interests
Investments in participating interests are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the participating interests' equity value plus unamortised goodwill and plus or minus unrealised pro rata intra-group profits and losses.

Upon distribution of profit or loss, net revaluation of investments in participating interests is transferred to the reserve for net revaluation according to the equity method in equity.

Goodwill is the difference between cost of investments and fair value of the pro rata share of assets and liabilities arising from acquisitions. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. For the total amount of goodwill, useful life has been determined based on an assessment of whether the enterprises are strategically acquired enterprises with a strong market position and a long-term earnings profile and whether the amount of goodwill includes intangible resources of a temporary nature that cannot be separated and recognised as separate assets. Useful lives are reassessed annually. The amortisation periods used are 10 years.

Investments in participating interests are written down to the lower of recoverable amount and carrying amount.

Other investments
Other investments comprise listed securities which are measured at fair value (market price) at the balance sheet date.

Receivables
Receivables are measured at amortised cost, usually equalling nominal value, less writedowns for bad and doubtful debts.

Tax payable or receivable
Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

Joint taxation contributions payable or receivable
Current joint taxation contributions payable or receivable are recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax. For tax losses, joint taxation contributions receivable are only recognised if such losses are expected to be used under the joint taxation arrangement.

Prepayments
Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash
Cash comprises bank deposits and collateral to power exchanges.

Treasury shares
Acquisition and selling prices and dividends of treasury shares are classified directly as equity in retained earnings. Gains and losses from sale are not recognised in the income statement.

Deferred tax
Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

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

Joint taxation contributions payable or receivable
Current joint taxation contributions payable or receivable are recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax. For tax losses, joint taxation contributions receivable are only recognised if such losses are expected to be used under the joint taxation arrangement.

Deferred income
Deferred income comprises income received for recognition in subsequent financial years. Deferred income is measured at cost.

Cash flow statement
The cash flow statement shows cash flows from operating, investing and financing activities, and cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes, and financial income, financial expenses and income tax paid.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises, activities and fixed asset investments, and purchase, development, improvement and sale, etc. of intangible assets and property, plant and equipment.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs, purchase of treasury shares and payment of dividend.

Cash and cash equivalents comprise cash.