Ennogie

Annual Report 2023

Ennogie Solar Group A/S
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Introduction

Ennogie Solar Group

Ennogie Solar Group ("Ennogie") is a green growth company that develops, manufactures, and sells building-integrated solar roofs and energy systems. Ennogie's solar roofs provide an aesthetic whole, replacing a traditional roof and serving as the outer climate shell of the building. The solar roof transforms a previously unproductive roof into a productive asset that generates sustainable, self-produced electricity. Providing access to a significant degree of self-sufficiency and some level of energy security, the solar roof has a short payback period on the additional investment and provides customers with stability and predictability in their energy costs.

Ennogie is an agile company with a scalable business model. The production of Ennogie's solar roofs does not require complex facilities and large investments and can therefore be quickly increased in line with demand. The business entails clear economies of scale in procurement, production, as well as sales and administration.

Ennogie's solar roofs generate renewable energy right where it is needed, reducing dependence on non-renewable sources and lowering energy costs. This decentralized approach means that energy is generated closer to where it is used, reducing transmission losses and creating a cleaner and more efficient energy system. Solar panels are a well-established technology, with technological and economic maturity, where the cells constitute a robust and proven energy source and a cost-effective alternative to traditional energy production. Solar technology continues to evolve, resulting in increased energy intensity over time, lower costs per produced kWh, and thus a more profitable solar roof.

Global climate change poses one of the greatest societal challenges of our time, requiring a rethink and restructuring of the entire global energy supply towards sustainable production methods. The task is enormous and will require a lot of time and resources. Ennogie's solar roof represents a robust, accessible, and aesthetically pleasing contribution to this. The green transition means that Ennogie is looking into a market with significant, structural, and long-term growth.

However, Ennogie is not alone in producing building-integrated solar roofs, as there are several competitors, and we welcome that. The market potential for roof replacements and installations is very large, and there is room for many types of solar roofs in the market. In addition to continuously improving our product and market, competitors help create the necessary awareness of the many benefits of solar roofs and thereby expand the share of solar roofs in the green transition.

2023 highlights

Revenue
98.7m

Revenue growth
61%

New orders
170

Total installation
47.330 m^2

Employees
44

New liquidity
25.5m

Chairman's Report

Pioneering growth and navigating challenges

Ennogie Solar Group has achieved an extraordinary feat, catapulting its revenue from DKK 15 million to an impressive DKK 100 million in just three years. This meteoric rise is a testament to the company's strategic acumen and adaptability in the dynamic solar roof industry. The foundation of this success lies in Ennogie's foresight, recognizing the growth potential at the intersection of the renewable energy sector and the construction industry.

A remarkable year

Revenue grew by 61% in 2023 from DKK 61 million in 2022 to DKK 99 million in 2023. The growth was based on a DKK 60 million order backlog at the start of 2023 built on significant increases in energy prices starting in 2021 and acceleration following the outbreak of war in Ukraine in February 2022.

At the heart of this growth lies Ennogie's visionary operational change process. Ennogie's leadership, committed to innovation and efficiency, implemented a series of transformative measures that propelled Ennogie into a leading position within the solarroof industry. From streamlining internal processes to optimizing supply chain logistics, every aspect of the company underwent meticulous refinement to facilitate rapid and sustainable growth. This fine-tuning of operations, resulted in a 77% increase in gross profit to DKK 27 million.

EBITDA improved DKK 5 million compared to 2022 with a result of DKK -3 million. This is in line with the expectations published in the interim financial report for Q2 2023. Similarly, revenue is also in line with the expectations published in the interim financial report for Q2 2023 and the initial expectations published in the interim financial report for Q3 2022.

Temporarily challenged market

Ennogie faces a temporary downturn in the market attributed to external factors. The recent upswing in interest rates and soaring inflation on building materials has resulting in shrinking construction markets and has introduced a degree of uncertainty into the market. Similarly has demand been affected by the normalization of energy prices. Adding to the complexity, Ennogie's home market of Denmark is grappling with the ramifications of recent regulations imposed by lawmakers. These changes have disrupted the stability of the solar industry in Denmark, contributing to a current downturn in order uptake in Denmark.

Despite these challenges, Ennogie remains steadfast in its commitment to navigating through the storm, leveraging its operational agility to overcome obstacles and emerge stronger on the other side.

Focus on igniting growth

In addition to using operational agility as response to the temporary market challenges, Ennogie has taken a number of actions in order to ignite growth.

Recognizing the need for strategic realignment, Ennogie is actively transforming its quotation pipeline. Shifting focus from a predominantly B2C approach, Ennogie is intensifying efforts in the B2B sector, targeting real estate developers and housing associations. This strategic shift not only aims to counter the present challenges but positions Ennogie for sustained success in a rapidly evolving market.

Looking forward, Ennogie capitalizes on the low point in the construction industry to explore new markets. Recognizing the global demand for sustainable solutions, Ennogie evaluates opportunities for expansion in countries where solar roof adoption is in its early stages but prioritized on the political agenda. Leveraging expertise and experience, Ennogie establishes a presence in these untapped markets, creating new revenue streams and prosperity. As part of its growth strategy, Ennogie is now venturing into new international markets, including France and Poland, along with expanding its footprint in Austria and Switzerland. This expansion is seen as a logical extension of the company's thriving activities in Germany, providing diversification and resilience against market fluctuations.

In tandem with geographical expansion, Ennogie invests in ongoing research and development efforts, ensuring its products remain at the forefront of innovation, among others the project with Danfoss and DTI supported by ELFORSK is a testament to that.
Moreover, in September 2023 Ennogie launched its new integrated solar system for installation in the roof named Sun Spot. This elegant solar system is designed to integrate perfectly into the roof and create a modern and sophisticated look. Sun Spot allows customers to choose from a limited number of standard configurations that perfectly match the home's style and energy needs. This not only improves energy efficiency, but also reduces costs, benefiting both customers and Ennogie.
In March 2024 Ennogie's solar roof received, as the first product, the newly introduced "Innovative Material Guarantee" of the ZVDH, which is the main association of the German roofers' associations. ZVDH has introduced this new material guarantee to give German roofers the security to use new innovative products in their work, especially in solar energy. For Ennogie, this means access to the large market for roofers in Germany, where both the full roof solution and Sun Spot are brought into play.

In continuation of the "Innovative Material Guarantee", Ennogie has entered into an agreement with Dachdecker-Einkauf covering initially three German regions totaling 6,500 roofing companies. The entire Dachdecker-Einkauf has collected purchases for 13,500 roofing companies. The agreement gives a much greater exposure, especially in the private sector.

Finally, Ennogie's commitment to sustainability is evident through its Environmental Product Declaration (EPD), now registered in both Germany and Denmark. This clearly states that Ennogie's solar roof products and energy solutions are the perfect choice for environmentally and financially conscious homeowners and businesses. This aligns with the company's vision of offering customers not just a roof but a sustainable future.

Ennogie's ability to navigate a declining 2023 and 2024 construction market, and explore New opportunities underscores the transformative power of innovation, strategic thinking, And a steadfast commitment to creating a positive impact on the planet and stakeholders.

Henrik Golman Lunde, Chairman of the Board

Important Events in 2023

Ennogie is awarded the Architecture + Construction Innovation Award

Maj

NORLYS

Ennogie and Norlys signs a cooperation agreement regarding future collaboration on offers to Danish housing associations

Ennogie included as one of the "55 energy solutions" ready for market by the European Enterprise Network

Important Events in 2023

September

Leif Arnbjerg announced as new Group-CFO

Investormeddelelse nr. 18. 2023, IEC Panelcertificering

November

13.11.2023 15:25:55 CET | Ennogie | Investor Nyheder

Ennogie Solar Group har opnået IEC 61215-1:2021 certificering på vores 130W panel. Certificeringen er nøglen til flere nationale godkendelser i både Europa og Globalt, og dermed fundamental i vores videre internationalisering. 130W panelet er Ennogies eget udviklede solcellepanel, der bruges i vores

2 vedhæftninger

Ennogie uptains IEC certification for solar panels

October

Ennogie wins pilot project in sustainable buildings in Berlin

September

Ennogie wins project with Housing Association GBG Mannheim

November

Ennogie customer Haus Hoinka wins Architects' Darling Award 2023 SILBER

Supermarkeder skal i tættere samspil med energisystemerne

18. DECEMBER 2023 | PRESSEMEDDELELSE

December

Projektkonsortiet bag 'Super-integration' består af en bred sammensætning af aktører fra flere steder i værdikæden. Det inkluderer bl.a. Danfoss og Ennogie, som leverer komponenter, serviceleverandørerne AK-Centralen og S.C. Nordic, vidensinstitutionerne DTU Compute og Teknologisk Institut samt Coop som slutbruger. Arkivfoto: Siine Fiig/COOP

Projektet 'Super-Integration' har netop modtaget tilsagn om bevilling på 7,6 mio. kr. fra ELFORSK-programmet, der åbner for ny ansøgningsrunde i start 2024.

Ennogie and consortium awarded grant along to increase sector coupling

Corporate Governance and Shareholder Information

Board of Directors

Henrik Golman Lunde

Male. Born 1966. Danish

CEO KUBO Robotics ApS

COB at Ennogie Solar Group in 2023. Board member at Ennogie Solar Group A/S since 2022. Board member at Ennogie ApS since 2014 and COB since 2018. Board member at Porteføljeselskab A/S since 2022.

Owns 316,605 shares in Ennogie Solar Group.

Independent board member

Skills
Growth leadership, international business development, and experience from the solar industry.

Other management positions

Peter Ott

Male. Born 1961. Danish

Professional board member

Board member at Ennogie Solar Group A/S since 2019 and COB from 2019-2022. Board member at Ennogie ApS since 2022. COB of Porteføljeselskab A/S since 2019.

Owns 21,479 aktier in Ennogie Solar Group A/S.

Independent board member

Skills
Value creation, business development, and leadership

Other management positions
COB: Strategic Investments A/S, AG-informatik A/S
Board member: Strategic Vækstaktier A/S, Stategic Europæiske Aktier A/S, Strategic Danske Aktier Select A/S, Strategic HY Obligationer A/S, Fondsmæglerselskabet Strategic Wealth Management A/S, Strategic Administration ApS, Nexcom A/S

Silke Weiss

Female. Born 1980. German

CSO DACH+BLX & Global Systems at Knauf Insulation GmbH

Board member at Ennogie Solar Group A/S since 2022

Owns 150 shares in Ennogie Solar Group A/S

Independent board member

Skills
International sales and marketing management, intercultural team leadership, and strategy development within energy efficiency.

Other management positions
Treasurer and board member at the European Industrial Insulation Foundation (EiiF)

Klaus Lorentzen

Male. Born 1964. Danish

SVP Products at VELUX A/S

Board member at Ennogie Solar Group A/S since 2022. Board member at Ennogie ApS since 2018. Board member at Porteføljeselskab A/S since 2022.

Owns 184,629 shares in Ennogie Solar Group A/S.

Independent board member

Skills
Global supply chains, product development, and international experience from the construction industry.

Other management positions

Executive Management

Lars Brøndum Petersen	Leif Arnbjerg	Martin Woldby Papsø
Male. Born 1982. Danish	Male. Born 1969. Danish	Male. Born 1979. Danish
CEO since 2022, CEO in Ennogie ApS since 2019	CFO since 2023	COO since 2022
Indirectly holding 4,137,497 shares in Ennogie Solar Group through a company he controls	Own no shares in Ennogie Solar Group A/S.	Own no shares in Ennogie Solar Group A/S.
Background 2009 - 2019 Co-founder/CSO in Ennogie ApS 2009 - 2022 Co-founder/CEO in Retap ApS 2016 - 2019 CEO Fundingbox Nordic ApS	**Background** 2022-2023: CFO Planet Huse A/S 2013-2022: Brand CFO Jack & Jones / Selected - Bestseller 2011-2013: CFO Green Team Group A/S / CEO Mailand A/S	**Background** 2017-2022 General Manager Kina - Jupiter Bach A/S 2014-2017 Buying Director - Bach Composite Industry A/S 2004-2013 Different jobs within Supply Chain - Vestas A/S
Education Business Development Engineer, Aarhus University	**Education** Certified Public Accountant Graduate Diploma in Business Administration	**Education** Executive MBA, IMD Business Development Engineer, Aarhus University

Business Management

Ennogie's Board of Directors and management adhere to the latest recommendations for good corporate governance developed by the Committee on Corporate Governance. Generally, Ennogie follows the committee's recommendations, but due to the Group's limited size, its activities, and organization, the board has chosen wholly or partially to deviate from the committee's recommendations in the following areas:

- It is recommended that the company has a fixed contingency procedure in the event of takeover attempts.
- It is recommended that the company has a policy for social responsibility and tax policy.
- It is recommended to appoint a vice-chairman for the board.
- It is recommended to publish the terms of reference for the management committees on the website.
- It is recommended that members of the board are not remunerated in the form of stock and subscription options.
- It is recommended that the company establishes a whistleblower scheme.

Reference is made to the management's comprehensive reporting on the recommendations, which can be found. https://ennogiesolargroup.com/wp-content/uploads/2024/03/Report-Corporate-Governance-2023.pdf

Ennogie's Board of Directors is responsible for the overall management of the company, including establishing the company's goals and strategies, risk management, compliance guidelines, communication policies, and dialogue with shareholders, as well as all matters related to mergers, acquisitions, and similar transactions.

The overall guidelines for the board's work are established in a code of conduct, which includes procedures for organizing, summoning, and conducting board meetings. The division of responsibilities between the Board of Directors and the daily management, as well as the board's framework for the daily management's work and requirements for ongoing reporting, are outlined in a separate directive for the executive management.
According to the articles of association, the company's board must consist of 3 to 7 members.

After the annual general meeting in 2023 Henrik Lunde was chosen as the chairman by the board. The chairman leads the board's work, convenes and organizes board meetings. The board conducts an annual evaluation of its work, composition, and the individual members' contributions to ensure the best leadership, effective decision-making processes, and the optimal foundation for the group's further development. In September 2023, the Board of Directors was reduced from five to four members – 1 female and 3 male.

Attendance at board and committee meetings in 2023

	Board	Meetings	Audit commitee	Meetings
Henrik Lunde	COB	● ● ● ● ● ●	Member	● ● ● ●
Peter Ott	Member	● ● ● ● ● ●	Chair	● ● ● ●
Klaus Lorentzen	Member	● ● ● ● ● ●	Member	
Silke Weiss	Member	● ● ● ●		
Attendance rate		**92%**		**100%**

The Board of Directors also evaluates the executive management's work and results, as well as the collaboration between the board and the management, on an annual basis.

In November 2022, the board chose to establish a separate audit committee consisting of three members of the board. Four meetings of the new audit committee were held in 2023. Klaus Lorentzen was elected to the audit committee at the board meeting in November 2023. No meetings have been held since Klaus was elected. Other management committees in the company, such as the nominating committee and remuneration committee, are composed of the entire board. Topics and decisions within these committees are addressed at the company's board meetings.
The attendance at all board and committee meetings in 2023 was 92%.

Information according to Danish Financial Statemens Act section 99b(1) is shown on page 22, under the headline CSR.

The Board of Directors
This section includes reporting on Ennogie's diversity in leadership in accordance with the Danish Financial Statements Act sections 99b and 107d. The Board of Directors assesses its composition annually to ensure diversity and the representation of all relevant competencies among its members. Both the board and the management acknowledge the importance of diversity in leadership and are committed to promoting diversity in terms of gender, age, nationality, international experience, and skills.

In 2023, one of Ennogie's female board members resigned, and the board now consists of one woman and three men, so the Board of Directors still has an equal distribution between gender.

The executive management of the group consists of three men. Therefore, the company does not have gender equality in its top leadership layer.

Since the company does not have more than 50 full-time employees, it is not obligated to establish a policy to increase the representation of the underrepresented gender in the other management layers.

Data Ethics
The board has assessed that the group's handling of sensitive data has not reached a level that makes it relevant for the group to formulate specific policies in this area. The board continuously monitors developments and assesses the need on an ongoing basis.

Risks related to the financial reporting process
The key risks related to the financial reporting process are identified and managed by the group's audit committee, where committee members, in collaboration with the company's CFO, discuss risks and internal controls. As the company's activities evolve, there is an ongoing reassessment of the risks of errors in the financial statements and the risk of fraud, along with discussions on how these risks are addressed and minimized.
Due to the size of the company, the implemented internal controls are mainly of a manual nature; however, there is an ongoing rollout of more automated controls through the group's implementation of a new ERP systems.

Risk Management

The Board of Directors of Ennogie continuously assesses the group's risk management process to ensure that the risk profile, risk processes, and risk awareness are at an appropriate level. Effective risk management helps ensure that the risks undertaken by the company are consistently evaluated and addressed.

Risk management process
Risk management at Ennogie occurs at both strategic and operational levels. The Board of Directors has the overall responsibility for the group's risk management and sets the framework for it. The executive management is responsible for implementing the systems and policies in relation to risk management and internal controls, with input from the Board of Directors.
The group's main risks and preventive measures to address the risk are highlighted in the following. For financial risks, reference is made to note 21 in the consolidated financial statements, where these are described in more detail.

Market conditions
The demand for Ennogie's products is exposed to three primary external market conditions: electricity prices, interest rates, and access to as well as the cost of labor. All three factors have correlated effects on the group's ability to execute on operations and growth.

To create a more robust development in demand, Ennogie is working to increase the share of B2B sales, as customers within this segment are more inclined to make long-term investments and are less affected by developments in the previously mentioned market conditions.

Access to raw materials
Ennogie purchases several of its raw materials on the international market, which is exposed by the changes in geopolitical conditions and challenges in the supply chains. Lack of access to consumables for an extended period can impact the company's ability to fulfill its commitments to customers.

The management continually monitors the market to identify potential suppliers of consumables, thereby minimizing the risk of being without the necessary raw materials.

Key employees
Employees are one of the group's most important resource, and due to Ennogie's size, there is a significant dependence on key individuals in the company.

Ennogie focuses on providing employees with a good and healthy workplace, emphasizing social and professional well-being. As part of the ongoing development and retention of key and critical skills, the allocation of stock options is included in the compensation package for employees who meet the criteria for allocation. Stock options typically vest over a period of 3 years, motivating employees to stay with the company.

IT and system usage
Ennogie's daily business significantly relies on the group's IT systems. Disruptions in the IT system, due to internal or external events, including cyber-attacks, can have significant impact for the group's operations and business control.

The group's focus is to adapt the IT security area to the threat landscape, including keeping the system landscape updated and enhancing employees' skills and awareness of IT security. Another focus area is to reduce the number of systems used by standardizing and harmonizing across the group's companies.

Insurance covers all significant and insurable risks to the extent deemed appropriate.

Compliance
Regulation from authorities in areas such as sustainability, environment, personal data, competition, taxation, and listed companies is increasing.

If the group is not compliant with relevant legislation - internally within the group or by some of the group's suppliers and partners - the group risks different sanctions and/or a negative impact on the company's reputation.

The group uses external advisors to be updated on the various applicable legislation related to the group. Additionally, there is ongoing work to improve and strengthen collaboration agreements with the group's key partners, including efforts to ensure transparency in working conditions and compliance with human rights.

Cost of components
Ennogie has identified several factors that can effect the cost of components.

Commodity prices, Technological changes and regulatory/political changes are all areas where the development in pricing have an important impact. To address these risks, Ennogie has implemented a range of strategies, including:

Supplier diversification. Ennogie aims for dual sourcing to reduce our risk of exposure to price fluctuations from a single supplier.
Market monitoring. Ennogie continuously monitor the market for commodities and technological changes to adapt our sourcing strategy accordingly.
Contract management. Ennogie have signed contracts with key suppliers to mitigate risks.

Shareholder information

Share price performance

Ennogie Solar Group A/S opened the year with a share price of DKK 29,80 and closed the year with a share price of DKK 16,40, representing a decrease of 45%. By the end of 2023, the market value of the company was DKK 514 million.

Share information	
Stock	Nasdaq Copenhagen
ISIN code	DK0010305077
Ticker symbol	ESG
No. of shares	31.359.652
Nom. value per share	DKK 1 per share
Share Capital	31.359.652
Votes	1 vote per share

Composition of Shareholders As of 31 December, 2023, Ennogie Solar Group A/S had 2,903 registered shareholders, compared to 2,829 as of 31 December, 2022. The majority of the registered shareholders are Danish investors, constituting 92% of the total number of registered shareholders.

Major shareholders with more than 5% ownership as of 31 December, 2023 are:

Major shareholders	
Strategic Capital ApS	>10%
Trailblaze A/S	>10%
Nordic Sports Management ApS	>10%
Strategic Investment A/S	>5%
Kristian Harley Lindholm	>5%

Investor relations

Ennogie aims to have relevant, accurate, and timely communication of financial information as well as other significant information about the group. The group emphasizes that all market-influencing information is disclosed in a systematic and comprehensive manner in accordance with the group’s policy and applicable regulations.

The purpose of the company's Investor Relations (IR) activities is to ensure that current and potential investors, as well as other relevant stakeholders, have equal access to comprehensive, objective, and reliable information about all significant and market-influencing matters. Additionally, the aim is to contribute to ensuring that market prices for the company's shares reflect the fundamental value of the shares.

Ennogie aims for reliability, transparency, and accessibility and will continually work to enhance the level of information and communication with investors.

The company seeks to make its general meetings an active forum for dialogue and discussion with the company's owners regarding the company's affairs and its ongoing development.

IR-activity

- Financial reports, including quarterly interim reports.
- Announcement of significant new orders in accordance with the company's principles for order disclosure.
- An informative investor relations website serving as a comprehensive resource for all significant investor-related information from the company.
- Ongoing participation in investor meetings and presentations.
- Accessibility for investor inquiries, with contact information available on the website.
- Support for liquidity, spread, and trading in the company's shares through the company's market maker arrangement with ABG Sundal Collier Denmark.

Financial calendar 2024	
Annual report 2023	2nd April 2024
Annual General Meeting	26 April 2024
Q1 2024 interim report	23 May 2024
Q2 2024 interim report	30 August 2024
Q3 2024 interim report	26 November 2024

Corporate Social Responsibility

Corporate Social Responsibility (CSR)

This section constitutes the group's reporting on corporate social responsibility in accordance with the Danish Financial Statements Act section 99a. The group's reporting pursuant to the Annual Financial Statements Act section 99b is outlined in the section on corporate governance on page 11.

Business model
Ennogie's business model is based on making it economically and aesthetically attractive for building owners to invest in Ennogie's integrated solar roof solutions. By generating energy from the sun, these solutions aim to over time repay the initial investment through reduced costs for external energy supply and the sale of surplus electricity back to the grid.

Ennogie's mission is to make green and clean energy from the sun accessible to more and sustainable for all. Ennogie develops and delivers aesthetic and smart solar energy solutions for the built environment, aiming to transform buildings into sustainable producers of solar energy. Ennogie's solutions provide sustainable comfort for people and enable future generations to meet their energy needs sustainably and through self-sufficiency.

Ennogie has initiated a process to mature the company's sustainability initiatives and reporting towards the release of the 2025 annual report in 2026, where the group shall follow the new reporting requirements in this area. The sustainability agenda is crucial for the group, and Ennogie has an ambition to incorporate initiatives in this area progressively over the next few years.

Climate and environment
Policy:
The green and sustainable agenda is the central focus of the company's business model. By enabling the transformation of passive roof surfaces into small, decentralized power plants that generate sustainable and emission-free electricity for self-sufficiency and further distribution, Ennogie and its products contribute positively to reducing global CO2 emissions.

Ennogie's largest climate and environmental impact comes from the production of components purchased and used in the manufacturing of solar modules. The primary impact arises from the production of solar panels, which involve resource- and energy-intensive processes, including the use of crystalline silicon and glass.

Since 2022 Ennogie has worked on a life cycle assessment of the company's solar modules, which has resulted in an Environmental Product Declaration (EPD) in the first half of 2023. The life cycle assessment quantifies the environmental impact of solar modules and serves as a basis for the company's ongoing efforts to reduce the climate and environmental impact of production, use, and recycling/disposal of solar modules.

Social and personnel matters
Policy:
Ennogie considers its employees as one of the company's greatest assets and places great emphasis on ensuring a safe and healthy working environment. Ennogie is a modern company that views employees as whole individuals with different backgrounds, needs, and desires in their professional lives. The company identifies the risk of workplace accidents, workplace dissatisfaction, and direct or indirect discrimination as the most significant risks related to social and personnel matters.
All main areas have been summarized in our internal Ennogie Employee handbook.

In 2023, Ennogie continued to embrace diversity among its employees and added several new nationalities among the newly hired employees, bringing the total number of nationalities represented in Ennogie to 9. Ennogie will continue to focus on equality and diversity in hiring situations and assess the need for measures to address the risk of workplace accidents.

Human rights
Policy:
Ennogie supports the protection of human rights. Due to the current size of the company, there are limited written policies for human rights, but it is a matter taken seriously in the dialogue with suppliers and partners and will be incorporated into the upcoming ESG strategy.

Ennogie assesses that the greatest risk of human rights violations may occur through the use of suppliers, especially outside the EU, who do not respect individual rights in relation to their employees. Ennogie is not aware of any of its suppliers acting in violation of human rights and works to improve transparency in this area.

During supplier assessments in 2023 Ennogie incorporated a screening that focuses on human rights, child labor and freedom organization. It Is used on both direct suppliers and suppliers’ supplier.

Anti-corruption and bribery
Policy:
Ennogie does not tolerate corruption and money laundering. Ennogie assesses that the risk of breaches is highest for suppliers situated outside Northern Europe. When selecting new suppliers or partners, Ennogie performs a thorough due diligence to ensure they adhere to high standards of ethics and compliance.
In 2023, management did not identify any violations.

In 2023 Ennogie made it a fixed part of the agenda to communicate the policy in our company introduction, when meeting suppliers and partners.

Financial Performance

Market Conditions

The global climate agenda, focusing on green energy and sustainability, is a significant driving force behind the interest in the Ennogie's products and solutions. This interest is further supported by the coming implementation of the EU Solar Standard.

EU reached a huge milestone to accelerate solar deployment by agreeing to a deal on the EU Solar Standard. Across all EU countries, it will require solar installations on all new public and commercial buildings by 2026, on all new residential buildings by 2029, on non-residential buildings that undergo a relevant renovation by 2027, and on all existing public buildings in a stepwise approach by 2030.

On top of boosting solar deployment across all building segments, the measure will strengthen the efficient integration of PV installations into construction processes. For example, roof constructions will soon always be combined with solar installations, reducing costs and increase the outcome of the limited existing workforce as efficiently as possible. This is smart and a significant step into a future where having rooftop solar is self-evident.

Ennogie's solar roof is a sustainable energy supply that involves the customer's electricity consumption primarily based on green and self-produced electricity. With increasing energy prices, there is a very strong profitability in Ennogie's solar roof for the end consumers, which, besides savings, provides security in terms of economic stability and predictability, as well as through self-sufficiency and supply security.

Like others, Ennogie also experienced fluctuations in 2023. The price of solar panels, transportation, and other costs fluctuated significantly starting in the second half of 2022 and decreasing in the second half of 2023. Therefore, Ennogie has continuously adjusted sales prices and worked on implementing adjustment mechanisms in offers and contracts to adapt to market conditions.

The construction sector is generally challenged by rising costs and interest rates, which dampens new construction and renovation works. However, an increasing focus on sustainable solutions, increased awareness of the possibilities and benefits of Ennogie's solar roofs ensure continued high activity in quotation and a moderate decline in order intake from 2022 to 2023 in Germany, from DKK 68 million to DKK 60 million, and a more significant decline in Denmark from DKK 32 million to DKK 12 million.

This is caused by the increased interest rates and lower electricity prices, which have a substantial impact on the business case for the end customer. Further, a renewed Danish energy supply law, where electricity sharing between buildings on the same plot has been prohibited, has had significant negative impact on the order intake in Denmark.

Market Conditions

While Ennogie's business in the startup phase primarily consisted of sales to individual residential houses (B2C), Ennogie has actively worked to expand sales of larger installations (B2B). The focus here remains primarily on residential units in the form of housing cooperatives, multi-family housing, cluster houses, and the developers building in the segments. Ennogie is on-track with the focus shift as the quotation value in B2B increased by 44% from 2022. The quotation B2C/B2B ratio in value across the group went from 50/50 to 35/65 from 2022 to 2023. With an overall increase in quotation value of 12.5 %.

The total order intake for the year amounted to DKK 72 million compared to DKK 100 million in 2022, representing a decline of 28% - the difference equals Kokoni One and the two Plushusene projects, along with a general drop in the DK B2C market of DKK 10 million. At the end of 2023, the order backlog amounted to DKK 27 million. The roof top solar market is seasonal, with increasing market activity at the end of Q1, when the number of sunshine hours increases and construction starts taking off, thereby increasing the potential and interest in solar energy production.

Germany

Ennogie has invested in expanding its presence in Germany through participation in trade fairs and hiring more salespeople. Germany is an attractive market not only because of the country's size but also because of a strong focus on green energy and sustainability, as well as because regulatory and climatic conditions ensure good conditions for expanding green energy and energy renovation. As of 1 January, 2023, Germany has introduced a zero VAT rate on the purchase of solar panel systems with a capacity of up to 30 kW.

Ennogie has a strong focus on leveraging the market potential in Germany and expects the German market to remain the company's largest single market in the coming years. In Germany, Ennogie has an independent sales and delivery organization, while the products are sourced through the Danish setup.

In Germany, B2C represents the most significant part of the business, but there is ongoing investments in increasing the B2B share of sales with a significant increase in quotation value, increasing by 132% from 2022, as a result. The German quotation B2C/B2B ratio in value has gone from 81/19 to 61/39, with an overall increase in quotation value of 14%.

Denmark

In 2023, there was a significant drop in order intake within B2C compared to 2022. In addition, Ennogie also experienced a lower order intake within B2B with several major projects having decisions pushed into 2024. Still, large residential projects with a green and sustainable profile are an area that holds great opportunities for Ennogie.

The interest for Ennogie’s products is still increasing, primarily driven by offers to housing associations and property developers, which is in line with expectations from the increased efforts towards these segments. The quotation value in B2B increased by 24% from 2022.
The Danish B2C/B2B ratio quotation value went from 16/84 to 7/93 from 2022 to 2023, With an overall increase in quotation value of 12%.

Financial Overview

Revenue
The group's revenue in 2023 amounted to DKK 98.8 million compared to DKK 61.1 million in 2022 and DKK 15.7 million in 2021, representing an increase of 61% on top of a growth of 288% in 2022. The revenue was realized in accordance with the company's latest published expectations of revenue between DKK 95 million and 105 million.

The revenue growth is a result of increasing order intake in 2022 and driven by Ennogie's success in expanding production and assembly capacity, in 2023. Revenue can vary from quarter to quarter based on the timing of large individual orders.

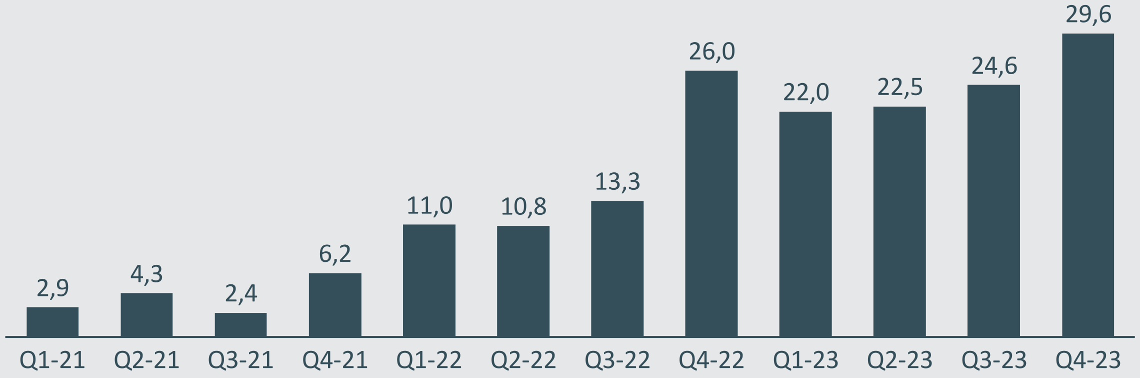
In the last half of 2023 Ennogie faced challenging market conditions. Heavily increased interest rates combined with a soaring inflation on building materials resulted in a degree of uncertainty in the market.

In 2023, 74% of the group's revenue was generated from the German market, compared to 60% in 2022. The continuing growth in Germany reflects the company's strategy and ongoing investments in the German market.

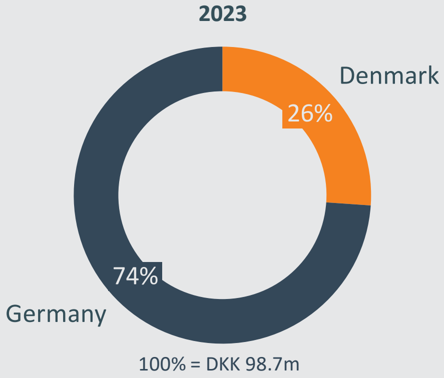
Gross Profit
Gross profit amounted to DKK 27.2 million in 2023 (2022: DKK 15.4 million), resulting in a gross margin of 27.6% (2022: 25.2%). The margin in 2023 was negatively impacted by additional costs incurred due to rapid growth and contracts signed with an expected lower cost prices of raw material. In second half of 2023 however, the margin increases as new contracts have been delivered with updated calculations. In Q4 2023 Ennogie realized the best gross profit at DKK 8.7 million (29.4%).

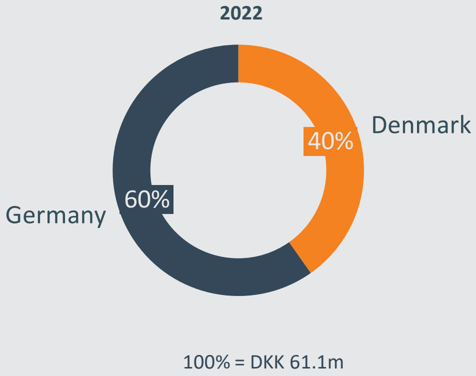
EBITDA
EBITDA was DKK -2.7 million compared to DKK -7.9 million in 2022. EBITDA for 2023 was influenced by ongoing investments in workforce and capacity, particularly in Germany. Extra mounting capacity creates demands for investments in transportation and equipment. EBITDA was realized within the latest published expectations of EBITDA between a negative of DKK 4 million and 2 million. The EDITDA in Q4 2023 amounts to DKK 1.7 million.

Revenue broken down by quarter (DKKm)



Revenue broken down by marked





Financial Overview

Working capital
Working capital amounted to DKK 16.3 million at the end of 2023 compared to DKK 7.0 million end of 2022. This development can largely be attributed to a heightened activity level, which is reflected in an inventory balance that was DKK 3.7 million higher at the end of 2023 compared to end 2022, contract assets that are 7.6 million higher in 2023 compared to 2022. The increased capital allocation to inventories and contract assets combined with a drop in account receivables, prepayments and other liabilities, raises the working capital by 9.5 million.

Cash flow
The group's net cash flow in 2023 were DKK 1.9 million, compared to DKK 1.1 million in 2022. Due to the significant growth of the group, substantial funds have been tied up in working capital in 2023, with inventories and contract assets particularly increasing by the end of 2023. This is partially offset by an increase in trade payables. Net working capital increased by DKK 9.3 million in 2023, resulting, along with the negative profit before financial items, in cash flows from operating activities of DKK -12.0 million (2022: DKK -17.1 million).

Cash flow from investing activities amounted to negative of DKK 7.7 million in 2023 (2022: a negative of DKK 4.7 million), primarily consisting of investments in development projects and fixed assets.

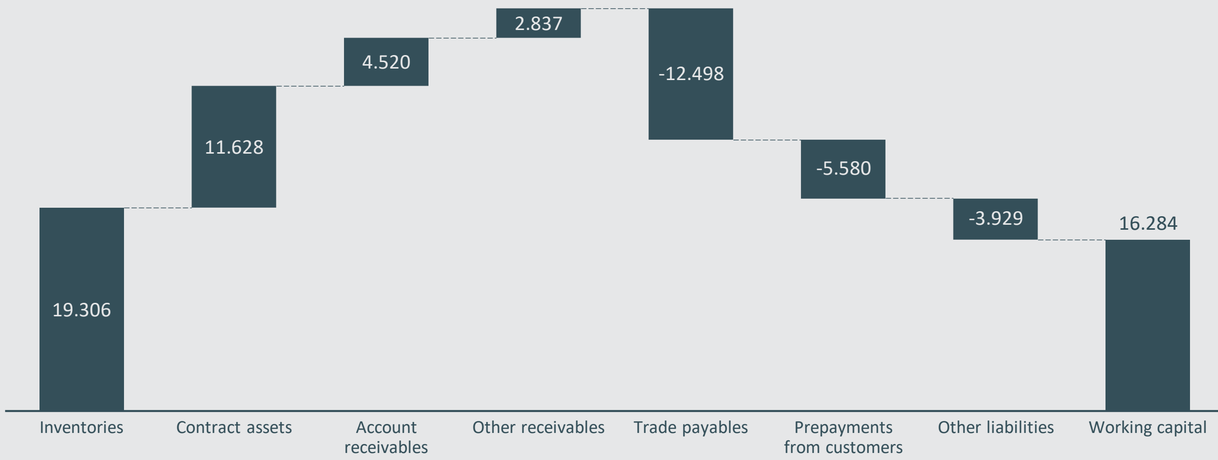
Cash flow from financing activities in 2023 amounted to DKK 23.5 million (2022: DKK 24.3 million), of which DKK 25.2 million came from 2 capital increases whereof one in connection with the exercise of warrants in Ennogie ApS, subsequently converted into shares in Ennogie Solar Group A/S.

Investment in development projects
Ennogie continued its investment in development projects related to the development of a battery and a smartmeter solution in 2023. An amount of DKK 3.6 million was invested in 2023 (2022: DKK 2.5 million). For further information on development projects, please refer to note 11 to the consolidated financial statements.

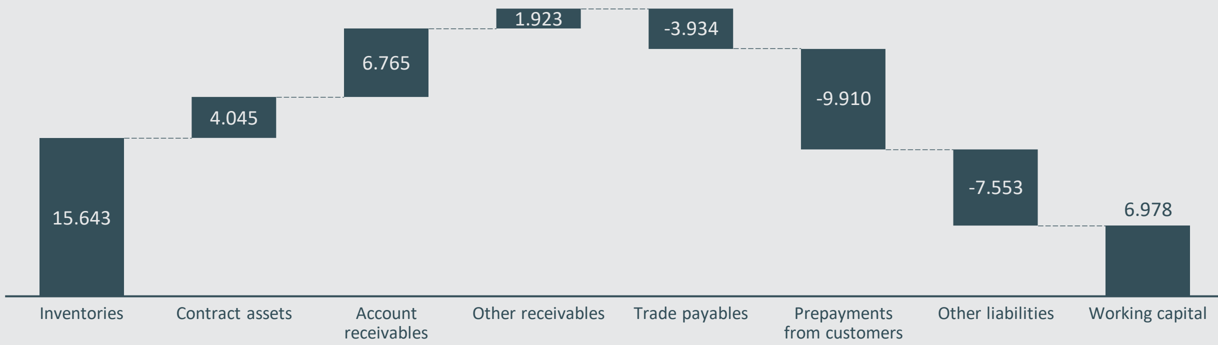
Equity
The group's equity as of 31 December, 2023, amounted to DKK 29.0 million (2022: DKK 12.0 million). In 2023, capital of DKK 25.2 million was added in connection with a capital increase and a capital increase in connection of the exercise of warrants in Ennogie ApS and subsequent conversion into shares in Ennogie Solar Group A/S.

Interest-bearing debt
The group's interest-bearing debt at the end of 31 December, 2023, amounts to DKK 19.0 million (2022: DKK 23.5 million). The development in interest-bearing debt is the result of a normal debt repayment throughout the year.

Working capital at 31 December 2023



Working capital at 31. December 2022



Financial Outlook

Due to a general decline in the 2024 constructions activities in both Germany and Denmark caused by a rapid rise in interest rates and inflation of building component costs, Ennogie's 2024 revenue is expected to decrease from 2023 to DKK 70-90 million. With restrained spending compared to 2023, expectations for the 2024 EBITDA are DKK -5 to 0 million.

Assumptions for 2024 financial outlook

The financial outlook for 2024 is based on a number of assumptions. Management considers the most significant assumptions to be related to the following:

Order intake is an important parameter for revenue over the next 6-24 months
Ennogie is working to secure a number of large B2B orders that are maturing. Individual orders and their timing, especially within the B2B segment, can have a significant impact on order intake and consequently revenue.

Changes in market conditions, especially developments in interest rates, electricity prices, and the price of and access to craftsmen, may also affect Ennogie's 2024 order intake.

Revenue to decrease slightly
Ennogie expects a slightly negative development in the group's revenue in 2024 compared to 2023:

- The new initiative with Dach Decker Einkauf is expected to have a positive impact on the order intake and deliveries in 2024 as the nature of Dach Decker Einkauf is a much faster quotation to order to delivery process than housing associations and developers in general.
- In addition, a growing focus on housing associations and developers and a consequently healthy project pipeline is expected to have significant impact on the 2024 order intake and deliveries.
- The new markets, Poland and France, are not expected to have any significant impact on 2024.
- Revenue from the residential sector will decrease compared to 2023.

The revenue forecast is based on an end 2023 order backlog of DKK 27 million, 2024 year-to-date order intake and a healthy quotation pipeline.

Ability to scale organization and production
The outlook is based on the group's ability to scale the organization up and down according to the activity level. Functions involved in processes related to order deliveries are crucial to deliver the expected revenue with the expected gross margin.

Production capacity was increased in the fourth quarter of 2023, and the outlook is based on Ennogie having the ability to adjust capacity to a lower level in the first half of 2024.

Key Financial Indicators

	2023	2022	2021	2020	2019
Profit n' Loss, DKK '000					
Revenue	98.775	61.116	15.739	16.554	8.631
Gross profit	27.230	15.394	2.569	5.016	3.180
Earnings bef. interest, tax, depreciation and amortisation (EBITDA)	(2.740)	(7.893)	(46.615)	(2.527)	(3.212)
Earnings before interest and tax (EBIT)	(6.164)	(10.175)	(48.789)	(4.795)	(4.953)
Financial items net	(1.810)	(1.543)	(448)	(389)	(494)
Profit / Loss	(7.973)	(11.705)	(49.236)	(5.168)	(5.437)
Balance, DKK '000					
Total assets	73.190	57.258	39.796	20.027	23.481
Equity	29.064	11.925	15.001	3.989	9.157
Working capital	16.284	6.978	(2.969)	(3.615)	(1.957)
Investment in tangible assets	3.367	829	382	1.830	63
KPI's					
Gross margin, %	27,6%	25,2%	16,3%	30,3%	36,8%
EBITDA, %	-2,8%	-12,9%	-296,2%	-15,3%	-37,2%
Earnings per share, DKK	(0,28)	(0,43)	(2,20)	(0,25)	(0,29)
Earnings per share, diluted DKK	(0,25)	(0,38)	(1,83)	(0,21)	(0,28)
Circulating number of shares at the end of the period, 1,000 units	31.360	27.784	26.250	20.625	20.625

		2023	2022	2021	2020	2019
CSR						
Average full-time employees	Number	44	32	21	15	11
Cultural diversity for all employees	Number of nationalities	9	9	6	-	-
Gender diversity for all employees	Percentage of women	23%	24%	16%	-	-
Gender diversity for group management	Percentage of women	0%	33%	0%	0%	0%
Work-related accidents with at least one day of absence	Number	0	3	0	-	-

Danish Financial Statemens Act section 99 b (1 and 4)

	2023	2022
Board of directors		
Total number of members	4	5
The underrepresented gender in %	25%	40%
Other management levels		
Total number of members	3	3
The underrepresented gender in %	0%	33%

Please refer to note 29 to the consolidated financial statements for the definition of KPI's.

Consolidated Financial Statements

Consolidated financial statements

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Statement of comprehensive income

DKK '000	Note	2023	2022
Revenue	*2,3*	**98.775**	**61.116**
Cost of goods sold		(71.545)	(45.722)
Gross profit		**27.230**	**15.394**
Work performed by the entity and capitalized		2.442	1.500
Other external expenses	*4*	(13.559)	(9.197)
Staff cost	*5,6*	(20.203)	(17.623)
Other operating income		1.350	2.032
Earnings before interest, tax, depreciation and amortization (EBITDA)		**(2.740)**	**(7.893)**
Depreciation, amortization and impairment losses		(3.423)	(2.282)
Profit/loss before financial items and tax (EBIT)		**(6.164)**	**(10.175)**
Financial income	*7*	44	0
Financial expenses	*8*	(1.854)	(1.543)
Profit/loss before tax		**(7.973)**	**(11.719)**
Corporation tax for the year	*9*	0	14
Profit/loss for the year		**(7.973)**	**(11.705)**
Other comprehensive income			
Currency adjustment foreign entities		(14)	(2)
Comprehensive income for the year		**(7.987)**	**(11.708)**
Earnings per share, DKK	*10*	(0,28)	(0,43)
Earnings per share, diluted, DKK	*10*	(0,25)	(0,38)

Balance sheet

DKK '000	Note	2023	2022
Intangible assets	*11*	15.603	13.538
Tangible assets	*12*	2.626	1.120
Deposits		201	201
Other financial assets		2.629	2.057
Non-current assets		**21.060**	**16.916**
Inventories	*13*	**19.306**	**15.643**
Accounts receivable	*14*	4.520	6.765
Contract assets	*3*	11.628	4.045
Other receivables		2.165	968
Prepayments		671	955
Receivables		**18.985**	**12.733**
Cash & cash equivalents		13.840	11.966
Current assets		**52.131**	**40.342**
Total assets		**73.190**	**57.258**

DKK '000	Note	2023	2022
Share capital		31.360	27.784
Tresury shares	*15*	(561)	(561)
Currency adjustments		(14)	(2)
Retained earnings		(1.721)	(15.296)
Equity		**29.064**	**11.925**
Provisions	*16*	603	440
Lease liabilities	*17*	1.015	7
Interest-bearing debt	*18*	14.652	18.524
Prepayments	*20*	1.895	2.522
Non-current liabilities		**18.165**	**21.494**
Current part of non-current interest-bearing debt	*18*	4.396	3.925
Bank debts		307	479
Lease liabilities	*17*	1.147	559
Prepayments from customers	*3*	5.580	9.910
Trade payables		12.498	3.934
Other liabilities		1.392	4.404
Deferred income	*20*	642	627
Current liabilities		**25.961**	**23.839**
Total liabilities		**44.126**	**45.332**
Total equity and liabilities		**73.190**	**57.258**

Equity Statement

DKK '000	Share capital	Treasury shares	Currency adjustments	Retained earnings	Total
Equity at 1 January 2023	**27.784**	**(561)**	**(2)**	**(15.296)**	**11.925**
Result for the year	0	0	0	(7.987)	(7.987)
Other comprehensive income	0	0	(14)	34	20
Capital increase	3.575	0	0	21.598	25.173
Share-based payments	0	0	0	(67)	(67)
Equity at 30 December 2023	**31.360**	**(561)**	**(16)**	**(1.719)**	**29.064**

	Share capital	Treasury shares	Currency adjustments	Retained earnings	Total
Equity at 1 January 2022	**26.250**	**(561)**	**0**	**(10.688)**	**15.001**
Result for the year	0	0	0	(11.705)	(11.705)
Other comprehensive income	0	0	(2)	0	(2)
Capital increase	1.534	0	0	6.549	8.084
Share-based payments	0	0	0	548	548
Equity at 31 December 2022	**27.784**	**(561)**	**(2)**	**(15.296)**	**11.925**

Cash flow statement

DKK '000	2023	2022
Profit / loss for the year	**(7.987)**	**(11.719)**
Depreciation, amortization and impairment	3.423	2.282
Share-based payments	(138)	548
Changes in provisions	163	188
Operating cash flows before changes in working capital	**(4.539)**	**(8.700)**
- Change in inventories	(3.663)	(5.734)
- Change in receivables	(5.339)	(7.576)
- Change in other receivables	(913)	(833)
- Change in trade payables, etc.	8.564	(568)
- Change in prepayments from customers	(4.331)	6.142
- Change in prepayments	(627)	(627)
- Change in other liabilities	(3.012)	(750)
Cash flows from operating activities	**(13.861)**	**(18.647)**
Income taxes paid	0	31
Cash flow from operations	**(13.861)**	**(18.615)**
Acquisition of property, plant and equipment	(358)	(214)
Investment in intangible assets	(3.611)	(2.516)
Investment in financial assets	(572)	(1.218)
Cash flows from investments	**(4.541)**	**(3.948)**
Free cash flows	**(18.402)**	**(22.563)**
Proceeds from capital increase	25.490	8.183
Transaction costs charged to equity	(215)	(100)
Proceeds from borrowings	0	18.000
Repayment of borrowings	(3.574)	(1.847)
Repayment of leasing liabilities	(1.415)	(612)
Cash flows from financing activities	**20.287**	**23.624**
Net cash flows for the period	**1.885**	**1.060**
Cash and cash equivalents at the beginning of the period	**11.966**	**10.908**
Exchange rate adjustments on cash	(12)	(2)
Net cash flows for the period	1.885	1.060
Cash and cash equivalents at the end of the period	**13.840**	**11.966**

Notes to the consolidated financial statements

1. Key accounting estimates and judgements

In the preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that effect the reported amounts of revenue, expenses, assets and liabilities, the accompanying disclosures, and the disclosures of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Accounting estimates and the assumptions are continuously reassessed. Changes to made accounting estimates are recognized in the accounting period in which the change occurs, and in future accounting periods if the change affects both the current and future accounting periods.

The accounting estimates and assessments that management considers significant for the preparation and understanding of the consolidated financial statements are described in more detail in the following section.

Impairment test of intangible assets:
The group capitalizes costs for product development projects. Initial capitalization of costs is based on management's judgement that technological and economic feasibility is confirmed, usually when a product has reached a defined milestone according to an established project management model. In determining the amount to be capitalized, management makes assumptions regarding the expected future cash generation of the project, discount rates to be applied and the expected period of benefits. At 31. December 2023, the carrying amount of capitalized development cost was TDKK 15.578.

Please refer to note 11 for further description.

Share-based compensation:
Estimated fair value for share-based payment transactions requires determination of the most appropriate valuation model, which depend on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option or appreciation right, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in note 6.

Provision for bad debts (IFRS 9):
When estimating the level of receivables that in the future is expected not to be collected we take the following information into account; historical losses on receivables, ageing of the receivables, access to payment securities and possibilities to off-set assets against claims. When making the assessment we also evaluate the expected development in macro-economic and political environments that could impact the recoverability.

We have made estimates of our expectation to the future losses on receivables by applying a consistent methodology. The calculation of expected credit losses (ECL) incorporate forward looking estimates. These estimates are mainly based on historical experience on losses and adjusted to reflect the current situation.

The impact from the adjustments to reflect the current situation has decreased compared to at the end of 2023. This reflects a slight decrease in uncertainty in the macroeconomic outlook compared to last year and can be seen from the decline in expected loss rate by ageing. This is however offset by the increase on specific impairment of receivables overdue by more than three months.

Warranty provision:
A provision is recognized for expected warranty claims on products sold during the year, based on historical experience and external studies regarding the performance of solar cells over time. It is expected that these costs will be incurred in the next financial years. Assumptions used to calculate the provision for warranties were historical experience and current information available from external studies regarding the performance of solar cells over time. As the group has not sold any products that have completed the entire warranty period, the provision is based on the estimate on the future events.

Tax asset:
The Group has significant unrecognized tax assets, primarily relating to tax loss carryforwards and losses in the Group's Danish companies.

The deferred tax assets are not recognized as of 31 December, 2023, due to uncertainty about future utilization.

Notes to the consolidated financial statements

2. Segment information

The group has no reportable segments, as management does not make decisions on a segmented basis. All decisions and ongoing management monitoring are based on consolidated figures.

Geographical information

Amounts in DKK '000	2023	2022
Revenue, geographical segments		
Denmark	25.786	24.582
Germany	72.990	36.534
Other	(0)	0
Total revenue	**98.775**	**61.116**
Non-current assets, geographical segments		
Denmark	18.803	16.572
Germany	2.257	344
Total non-current assets	**21.060**	**16.916**

3. Revenue / Revenue over time

The Ennogie Group generates revenue from the sale of integrated solar roofs, battery solutions, and their installation.

Amounts in DKK '000	2023	2022
Revenue types		
Contract-based revenue	98.775	61.116
Total revenue	**98.775**	**61.116**
Timing of revenue recognition		
At a point in time	86.764	50.505
Over time	12.011	10.611
Revenue from contracts with customers	**98.775**	**61.116**

The following overview provides information about contract assets and customer advances received, distributed across balances related to contracts delivered over time and at a specific point in time.

Contract balances		
Contract assets	10.860	3.111
Contract assets, revenue over time	768	934
Deferred revenue, revenue at a point in time	(4.004)	(8.782)
Deferred revenue, revenue over time	(1.576)	(1.128)
Total	**6.048**	**(5.865)**

Contract assets relate to the group's right to receive payment for goods and services delivered but not yet invoiced as of the balance sheet date. Contract assets are transferred to accounts receivable from sales and services when the group invoices the customer.

The group's contracts typically involve a prepayment upon contract inception as well as payment upon delivery. Advance payments received are recognized as revenue when the group's obligations related to the sold goods or services are fulfilled. An amount of DKK 8,782 thousand recognized as prepayments as of 31 December, 2022, has been recognized as revenue in 2023. Management expects that the full amount recognized as prepayments as of 31 December, 2023, of DKK 5,580 thousand, will be recognized as revenue during 2024.

4. Fees to independent auditor

KPMG is the general meeting-elected auditor for Ennogie Solar Group A/S. KPMG audits the consolidated financial statements as well as other financial statements of the group's subsidiaries subject to audit. In addition, KPMG has conducted other assurance engagements in connection with capital increase, etc.

Amounts in DKK '000	2023	2022
Statutory audit	587	548
Other assurance engagements	16	(381)
Other services	13	26
Total fee to KPMG	**616**	**193**

Notes to the consolidated financial statements

5. Staff cost

Amounts in DKK '000	2023	2022
Salary	17.879	15.403
Share-based compensation	(138)	548
Contribution-based pension schemes	446	348
Other social security expenses	2.016	1.323
Total staff cost	**20.203**	**17.623**
Average number of employees	**44**	**32**
Remuneration for Executive management and Board of Directors		
Salary	1.654	728
Share-based compensation	0	27
Executive management	**1.654**	**755**
Salary	1.303	792
Contribution-based pension schemes	0	16
Share-based compensation	0	30
Key management personnel	**1.303**	**838**
Board remuneration	294	100
Share-based compensation	0	450
Board remuneration	**294**	**550**
Total	**3.251**	**2.143**

The remuneration of the management and board is carried out in accordance with Ennogie Solar Group A/S' remuneration policy.

6. Share-based compensation

On 30 September, 2022, the group established a warrant program for the group's Board of Directors, key management personnel, and employees. Under this program, warrant holders can exercise vested warrants at a price equal to the market value at the time of grant plus 15%. The vesting period for the granted warrants is 6 months for the Board of Directors, between 36 and 24 months for key management personnel, and 36 months for employees. If the warrant holder leaves the group during the vesting period, the granted warrants are forfeited.

In 2023 69% of the warrants from the 2022 program has been forfeited. As some of the vested shares has been forfeited in 2023 the impact ends up as a profit in 2023.

Ennogie ApS, a subsidiary of Ennogie Solar Group A/S, established a warrant program for shareholders as well as members of the board and management in December 2019. The program included 60,000 warrants, of which 39,663 warrants were exercised in December 2023 and immediately exchanged for shares in Ennogie Solar Group A/S at an exchange ratio of 1:75. Warrants granted in December 2019 are converted using this exchange ratio in the table below.

Outstanding warrants	Weighted average exercise price	Vesting period	Exercise period	**2023**	**2022**
Warrants granted Dec-19	4,56	Fully vested Dec-19	From Dec-19 to Dec-23	0	2.965.650
Warrants granted Sep-22	25,88	From Sep-22 to Aug-25	From Sep-25 to Dec-26	186.505	639.193
Outstanding as of December 31st				**186.505**	**3.604.843**

The number of fully vested warrants as of 31 December, 2023, amounts to 409,961 (31 December, 2022: 3,248,593).

The exercise of warrants granted in September 2022 can occur during open subscription windows, which run for 14 days after the publication of full-year or interim financial reports.

Notes to the consolidated financial statements

6. Share-based compensation (continued)

Number of warrants	Board of Directors	Executive management	Staff	Other shareholder	Total
Outstanding as of 01.01.2022	**918.750**	**375.000**	**112.500**	**3.093.750**	**4.500.000**
Allocated 2022	282.943	175.000	181.250	0	639.193
Exercised 2022	(393.750)	0	(37.500)	(1.103.100)	(1.534.350)
Outstanding as of 31.12.22	**807.943**	**550.000**	**256.250**	**1.990.650**	**3.604.843**
Transferred 2023	(293.175)	(281.475)	(46.875)	621.525	0
Forfeited 2023	(188.628)	(175.000)	(80.000)	0	(443.628)
Exercised 2023	(231.825)	(93.525)	(37.185)	(2.612.175)	(2.974.710)
Outstanding as of 31.12.2023	**94.315**	**0**	**92.190**	**0**	**186.505**

	2023	2022
Average remaining maturity of outstanding warrants as of December 31st (years)	2,0	1,5
Exercise price of outstanding warrants as of December 31st (DKK)	25,88	2,0 and 25,88

The fair value of the warrant program is recognized as Staff cost over the vesting period. The following cost for share-based compensation are recognized in the income statement. As some of the vested shares has been forfeited in 2023 the impact ends up as a profit in 2023.

7. Financial income

Amounts in DKK '000	2023	2022
Other financial income	44	0
Total financial income	**44**	**0**

8. Financial expenses

Amounts in DKK '000	2023	2022
Interest expenses	1.039	480
Interest expenses on lease obligations	40	5
Foreign exchange loss	343	261
Other financial expenses	432	798
Total financial expenses	**1.854**	**1.543**

Notes to the consolidated financial statements

9. Taxes

Reconciliation of the effective tax rate

DKK '000	2023		2022	
Result before tax		**(7.973)**		**(11.719)**
Calculated tax at Danish tax rate	22,0%	(1.754)	22,0%	(2.578)
The effect of differences in tax rates for foreign enterprises	2,9%	(231)	0,9%	(103)
Expenses charged against equity	0,0%	0	0,3%	(33)
Adjustments from prior years	0,0%	0	-0,1%	14
Unrecognized tax assets	-24,9%	1.985	-23,2%	2.714
Corporation tax for the year	**0,0%**	**0**	**-0,1%**	**14**

Unrecognized tax assets

Amounts in DKK '000	2023	2022
The tax value of unrecognized tax assets	54.484	52.487

10. Earnings per share

	2023	2022
Average number of shares	28.336.314	27.145.038
Average number of treasury shares	(10.453)	(10.453)
Average number of circulated shares	**28.325.861**	**27.134.585**
Average number of outstanding warrants	3.259.377	3.818.027
Average number of circulated shares, diluted	**31.585.237**	**30.952.611**
Profit / Loss (DKK '000)	**(7.973)**	**(11.705)**
Earnings per share, DKK	(0,28)	(0,43)
Earnings per share, diluted, DKK	(0,25)	(0,38)

Notes to the consolidated financial statements

11. Intangible assets

	2023			
DKK '000	Completed development projects	Acquired intangible assets	Intangible assets under development	Total
Cost at 1 January	**15.359**	**481**	**7.310**	**23.150**
Additions	0	0	3.611	3.611
Cost at 31 December	**15.359**	**481**	**10.921**	**26.761**
Amortisation and impairment at 1 January	**(9.166)**	**(445)**	**0**	**(9.611)**
Amortisation and impairment	(1.536)	(10)	0	(1.546)
Amortisation and impairment at 31 December	**(10.702)**	**(455)**	**0**	**(11.157)**
Carrying amount at 31 December	**4.657**	**27**	**10.921**	**15.603**

	2022			
DKK '000	Completed development projects	Acquired intangible assets	Intangible assets under development	Total
Cost at 1 January	**15.359**	**435**	**4.797**	**20.591**
Transferred between categories	0	42	0	42
Additions	0	4	2.512	2.516
Cost at 31 December	**15.359**	**481**	**7.310**	**23.149**
Amortisation and impairment at 1 January	**(7.630)**	**(435)**	**0**	**(8.066)**
Amortisation and impairment	(1.536)	(10)	0	(1.546)
Amortisation and impairment at 31 December	**(9.166)**	**(445)**	**0**	**(9.611)**
Carrying amount at 31 December	**6.193**	**36**	**7.310**	**13.538**

Completed development projects
consist of internally developed solar roof modules and other components related to the solar roof solutions.

Management assesses that the expected life and future cash flows from the assets are sufficient to cover the recognized value of the assets.

Development projects in progress
includes the development of a battery and a smartmeter solution compatible with Ennogie's solar roof. Development costs primarily comprise development hours from internal and external development resources.

Management has performed impairment test to secure that it is technically feasible to complete the ongoing development projects during 2024 and that the value of future net cash flows from battery sales exceeds the recognized value of the development project.

Recognised yearly development costs include an amount of DKK 514 thousand (2022: DKK 312 thousand) related to capitalized borrowing costs, corresponding to an interest rate of 5.4%.

Notes to the consolidated financial statements

12. Tangible fixed assets

DKK '000	2023 Operating equipment, fixtures and fittings	Leasehold improvements	Right-of-use assets	Total
Cost at 1 January	**666**	**239**	**2.157**	**3.062**
Opening adjustment	(103)	66	0	(37)
Additions	115	243	3.009	3.367
Disposals	0	(338)	(185)	(523)
Cost at 31 December	**678**	**210**	**4.981**	**5.869**
Depreciation and impairment at 1 January	**(272)**	**(74)**	**(1.596)**	**(1.942)**
Opening adjustment	96	(123)	0	(27)
Depreciation	(130)	(245)	(1.423)	(1.798)
Disposals	0	338	185	523
Depreciation and impairment at 31 December	**(306)**	**(104)**	**(2.833)**	**(3.244)**
Carrying amount at 31 December	**372**	**105**	**2.148**	**2.626**

	2022 Operating equipment, fixtures and fittings	Leasehold improvements	Right-of-use assets	Total
Cost at 1 January	**591**	**138**	**1.546**	**2.275**
Transferred between categories	(42)	0	0	(42)
Additions	116	101	612	829
Cost at 31 December	**666**	**239**	**2.157**	**3.062**
Depreciation and impairment at 1 January	**(176)**	**25**	**(1.001)**	**(1.201)**
Depreciation	(96)	(50)	(594)	(740)
Depreciation and impairment at 31 December	**(272)**	**(74)**	**(1.596)**	**(1.942)**
Carrying amount at 31 December	**394**	**164**	**562**	**1.120**

Notes to the consolidated financial statements

13. Inventory

Amounts in DKK '000	2023	2022
Raw materials	6.250	5.593
Work in progress	0	27
Finished goods	6.041	3.708
Goods in transit	2.495	4.845
Floating goods	4.520	1.470
Total inventories	**19.306**	**15.643**

14. Accounts receivable

Amounts in DKK '000	2023	2022
Accounts receivables	5.323	7.315
Provisions	(803)	(550)
Accounts receivables - net	**4.520**	**6.765**

Account receivables - aging

DKK '000	Receivable (Gross)	Provision for losses	Receivable (net)	Loss percentage
31.12.2023				
Not due	1.093	(26)	1.067	2,4%
Due 1-30 days	1.213	(65)	1.147	5,4%
Due 31-60 days	334	(26)	307	7,9%
Due 61-90 days	274	(36)	238	13,1%
Due 91-120 days	849	(265)	584	31,3%
Due more than 120 days	1.561	(384)	1.177	24,6%
Total	**5.323**	**(803)**	**4.520**	**15,1%**
31.12.2022				
Not due	4.127	(55)	4.072	1,3%
Due 1-30 days	1.824	(72)	1.751	4,0%
Due 31-60 days	28	(6)	23	20,3%
Due 61-90 days	249	(43)	205	17,4%
Due 91-120 days	437	(82)	355	18,7%
Due more than 120 days	651	(293)	358	45,0%
Total	**7.315**	**(550)**	**6.765**	**7,5%**

Notes to the consolidated financial statements

15. Treasury shares

The treasury shares consist of the cost of the company's treasury shares in Ennogie Solar Group A/S. As of 31 December, 2023, the company's treasury shares amounted to 10,453 shares (31 December, 2022: 10,453 shares).

The market value of the company's holding of treasury shares amounted to DKK 171 thousand as of 31 December, 2023 (31 December, 2022: DKK 311 thousand). The shares stem from the period before Ennogie became part of the group, and management is considering whether the shares should be exchanged for liquidity or used for stock-based compensation.

16. Provisions

Other provisions include warranty provisions for the company's sold solar panel systems. Ennogie provides its customers with a product warranty, where the company replaces defective components within the agreed warranty period. Additionally, Ennogie also provides a performance guarantee, guaranteeing that the energy production of the solar panels is maintained at a certain level within the warranty period.

During the year, there has been an addition of DKK 163 thousand (2022: DKK 188 thousand) to provisions.

17. Expected contractual cash flows for lease liability

Amounts in DKK '000	2023	2022
Due within 1 year	1.152	564
Due within 1-5 years	1.015	7
Total lease liabilities	**2.167**	**571**

The lease liability includes the group's lease contracts for premises and vehicles.

In the calculation of the lease liability, a discount rate of 1.6% is used for building leases, corresponding to the mortgage interest rate at the inception of the leases. For vehicles, interest rates ranging from 0.4% to 4.5% are applied.

Interest expenses related to lease liabilities are specified in note 8 financial expenses, and depreciation costs related to lease assets are specified in note 12 tangible assets.

For payments related to entered lease contracts, refer to the cash flow statement. The group has chosen not to recognize lease assets with low value and short-term lease agreements on the balance sheet. Instead, lease payments for these lease agreements are recognized on a straight-line basis in the income statement.

18. Expected contractual cash flows for interest-bearing debt

Amounts in DKK '000	2023	2022
Due within 1 year	5.418	5.048
Due within 1-5 years	17.025	19.646
Due after 5 years	0	1.358
Total bank debts	**22.443**	**26.052**

19. Change in debt

DKK '000	2022	Cash flow from financing	Addition leasing	2023
Non-current bank debts	22.450	(3.402)		19.048
Lease liabilities	566	(1.413)	3.009	2.162
Current bank debts	479	(172)		307
Total	**23.494**	**(4.987)**	**3.009**	**21.517**

DKK '000	2021	Cash flow from financing	Addition leasing	2022
Non-current bank debts	5.965	16.484	0	22.450
Lease liabilities	567	(612)	612	566
Current bank debts	810	(331)	0	479
Total	**7.342**	**15.540**	**612**	**23.494**

20. Accruals

Accruals include grants received related to development activities that pertain to completed development projects. The grants are recognized as revenue as the relevant development projects are depreciated.

In 2023, a total of DKK 627 thousand was recognized as other income (2022: DKK 627 thousand).

Notes to the consolidated financial statements

21. Financial risks and financial instruments

Management of Financial Risks
The group is exposed to various financial risks as a result of its operational and financing activities, including risks related to the capital structure, such as changes in interest rates, liquidity risks, as well as market risks related to fluctuations in currency exchange rates and commodity prices.

The group's risk assessment and management are continuously updated in line with the development of the group's activities, driven by the significant growth it experiences.

Capital Structure and Interest Rate
Ennogie has significant interest-bearing debt, and the development of interest rates, therefore, has a significant impact on the group's pre-tax profit as well as liquidity.

The interest-bearing debt consists of loan agreements that the group has entered into with Denmark's Green Investment Fund and Kompasbank. All loans are variable interest rate loans.

Ennogie does not use interest rate swaps to hedge against interest rate fluctuations. A 1% point change in interest rates at the end of the year will have an annual impact on the group's interest expense of DKK 175 thousand. There is an ongoing assessment of the composition of the capital structure to ensure the right balance between debt and equity.

Liquidity Risks
Due to the significant growth, increasing demands are placed on the group's working capital, especially considering seasonal fluctuations in revenue. This means that, in certain periods, large amounts of funds are tied up in inventory, as the purchasing and production activities are maintained at the same level during the low season to meet the demand in the high season.

As the group's activity grows, it provides the company with better negotiating power with suppliers, and efforts are therefore continuously made to improve payment terms, etc., in order to reduce working capital and enhance liquidity.

Liquidity is constantly monitored to ensure that the group has adequate liquidity reserves to make appropriate decisions in the event of unforeseen fluctuations in liquidity.

Credit Risks
Ennogie is somewhat exposed to credit risk based on customers' ability to pay for the group's products. Ennogie's customers primarily consist of individuals, carpentry businesses, and contractors.

It is the group's policy that customers, in most cases, pay in advance to minimize the risk of losses. Management's assessment is that the group is only exposed to a limited extent to significant credit risk.

Currency Risks
The group consists of Danish and German companies, so all sales are conducted in DKK or EUR. Ennogie makes a significant portion of its material purchases in CNY and USD, making the group exposed to fluctuations in these currencies.

Ennogie has continuously implemented various measures to ensure that customer contracts are made with the option to adjust prices in case there are cost increases related to the delivery of the agreed sales order. Management monitors the development of the currencies the company is exposed to and continually assesses the need for further risk mitigation.

The group does not use forward contracts to hedge currency risks.

Commodity Price Risk
Commodity risk is the risk of significant fluctuations in the price of the components that the group purchases for the production of its solar solutions. The group is exposed to commodity price risks for the components used in the production of its solar solutions, including solar panels, mounting brackets, and other electronic components.

Ennogie has continuously implemented various measures to ensure that customer contracts are made with the option to adjust the price if there are cost increases related to the delivery of the agreed sales order.

Historically, the group has not hedged commodity risks due to the associated costs.

Notes to the consolidated financial statements

22. Contractual obligations and contingent liabilities

The group's Danish companies are jointly and severally liable for tax on the group's previously consolidated income and for certain contingent taxes such as dividend tax and royalty tax until the withdrawal date. The combined net obligation of the previously consolidated companies to SKAT (the Danish Tax Authority) amounts to DKK 0 as of December 31, 2023. Any subsequent adjustments to the taxable consolidated income or taxes on dividends, etc., may result in the companies' liability amounting to a larger sum.

23. Pledges and securities

To secure Ennogie ApS' debt to banks and other lenders of long-term debt, pledges or other security have been provided in the company's assets for a total value of DKK 14,500 thousand (as of December 31, 2022: DKK 14,500 thousand). The total accounting value of the assets pledged or secured amounts to DKK 16,536 thousand (as of December 31, 2022: DKK 20,939 thousand).

24. Related parties

The group has no related parties with controlling interest.

Related parties include the parent company's Board of Directors and management as they constitute the primary management. Also included are close family members of these individuals and companies over which these individuals have control.

Management remuneration is disclosed in note 5.

25. Company overview

Parent company.		
Ennogie Solar Group A/S	Denmark	
Subsidiaries.		
Ennogie ApS	Denmark	100%
Ennogie Deutschland GmbH	Germany	100%
Ennogie Produktion GmbH	Germany	100%
Porteføljeselskab A/S	Denmark	100%

26. Subsequent events

After the balance sheet date, Dansk Boligbyg A/S has been filed for bankrupcy. This results in the group facing a potential loss on receivables. The owner of the building, Plus Husene however, has intervened in the matter and has indicated their interest to enter into the agreement and address the current outstanding issues in order to complete the project. The management therefore expects the risk of a loss to be limited.

Notes to the consolidated financial statements

27. Material accounting Policies

The consolidated financial statements of Ennogie Solar Group A/S for 2023 have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, and additional requirements in the Danish Financial Statements Act..

The consolidated financial statements are presented in DKK '000.

The accounting policies are unchanged from 2022.

The Group has implemented all new standards and interpretations that were applicable in the EU as of 1 January, 2023. The IASB has continuously issued various amendments to existing standards and new interpretations. Management's assessment is that these changes will not have a significant impact on the consolidated financial statements.

The Board of Directors and the management approved the annual report for 2023 for Ennogie Solar Group A/S on 2 April, 2024. The annual report will be presented to the company's shareholders for approval at the ordinary general meeting on 26 April, 2024.

Consolidated Financial Statements

The consolidated financial statements include the parent company and subsidiaries in which the Company directly or indirectly holds more than 50% of the voting rights or otherwise has controlling influence.

During consolidation, intra-group revenues and expenses, shareholdings, intra-group balances, dividends, and realized and unrealized gains and losses on transactions between the consolidated entities are eliminated.

General Principles of Recognition and Measurement

Assets are recognized in the balance sheet when it is probable that future economic benefits will flow to the entity and the asset's value can be measured reliably. Liabilities are recognized in the balance sheet when they are probable and can be measured reliably.

At initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each individual accounting item.

Certain financial assets and liabilities are measured at amortized cost, recognizing a constant effective interest rate over the term. Amortized cost is calculated as the initial cost, minus any repayments, plus/minus the accumulated amortization of the difference between the initial cost and the nominal amount. When recognizing and measuring, consideration is given to gains, losses, and risks that arise before the financial statements are prepared and that confirm or negate conditions that existed at the balance sheet date. Revenues are recognized in the income statement as they are earned, including the recognition of value adjustments to financial assets and liabilities measured at fair value or amortized cost. Furthermore, expenses incurred to earn income for the year are recognized, including depreciation, impairment, and provisions, as well as reversals due to changes in accounting estimates for amounts previously recognized in the income statement.

Foreign Currency Translation

Transactions in foreign currency are translated at the exchange rate prevailing on the transaction date. Exchange rate differences between the transaction date and the payment date are recognized in the income statement as a financial item. Receivables, liabilities, and other monetary items in foreign currency are translated at the exchange rate on the balance sheet date. The difference between the balance sheet date's exchange rate and the rate at the time the receivable or liability arose or was recognized in the previous year's financial statements is recognized in the income statement as financial income and expenses.

When foreign subsidiaries are consolidated in the consolidated financial statements and have a functional currency other than DKK, the income statement and other comprehensive income are translated into the average exchange rates for the period, while balance sheet items are translated into the exchange rates on the balance sheet date. Exchange rate differences arising from the translation of foreign subsidiaries' balance sheet items at the beginning of the year into the exchange rates on the balance sheet date and from the translation of income statement items into average exchange rates for the period are recognized in other comprehensive income.

Income Statement

Public Grants

Public grants are recognized when it is reasonably certain that the grant conditions will be meet and the grant will be received. Grants that compensate for incurred expenses are recognized directly in the income statement under other operating income as the eligible costs are incurred. If the conditions for receiving the grant are only met after the associated expenses have been recognized, the grant is recognized in the income statement when the conditions are met, and it is reasonably certain that the grant will be received. Grants for the acquisition of assets are recognized in the balance sheet as deferred income/deferred income recognition items and transferred to other operating income in the income statement as the assets to which the grants relate are depreciated.

Grants for the acquisition of assets are recognized in the balance sheet as deferred income/deferred income recognition items and transferred to other operating income in the income statement as the assets to which the grants relate are depreciated.

Net Revenue

Income from the sale of trading goods and finished products, as well as their assembly, including the supply and installation of roofing solutions, is recognized in net revenue when control is transferred to the buyer, revenue can be reliably measured, and payment is expected to be received. Recognition typically occurs upon the final delivery of roofing solutions (point in time). However, it has been assessed that for some contracts, revenue can be recognized as work is performed or based on stages (over time). This primarily occurs in the case of larger projects where there is an ongoing transfer of control.
Contract-based revenue is considered to include only one performance obligation, as all components are deemed to be interdependent. The Group acts as the sole risk bearer in connection with the performance obligation, which is why all contract revenue is treated as principal. For further details, please refer to the description under the accounting policy for contract assets.

Net revenue is measured at the fair value of the agreed consideration, excluding taxes and duties collected on behalf of third parties. All types of discounts granted are included in net revenue.

Notes to the consolidated financial statements

27. Material accounting Policies (Continued)

Other Operating Income
Other operating income includes grants received for incurred expenses during the year as well as accrued public grants that are recognized in line with the depreciation of completed development projects.

Cost of goods sold
The cost of goods sold calculation includes direct cost associated with the production or purchase of goods sold. This typically includes the cost of raw material and cost of subcontractors. Cost of goods sold will be recorded as an expense in the income statement in the same period in which the related revenue is recognized.

Other External Costs
Other external costs are expenses related to the group's primary activities that are incurred during the year. This includes costs for advertising, administration, premises, and other related expenses.

Staff costs
Staff costs include salaries and wages, including vacation pay, pension contributions, and other social security costs, etc., for the company's employees, net of refunds from public authorities.

Share-Based compensation
Agreements for share-based compensation (warrants) have been entered into with certain employees as part of the Group's incentive compensation program. The warrant program is accounted for as an equity arrangement since it is settled in shares. The cost, determined as the fair value of warrants at the grant date, is recognized in the income statement over the vesting period and in the balance sheet under equity.

Financial Income and Expenses
Financial income and expenses comprises of interest, gains and losses on foreign currency transactions, as well as impairments on financial securities. Additionally, it includes the amortization of financial assets and liabilities. Loan costs related to general borrowing or loans directly associated with the acquisition, construction, or development of qualifying assets are allocated to the cost of such assets.

Income Tax Expense
Income tax expense for the year includes both the current income tax for the year and the year's change in recognized deferred tax assets and liabilities, as well as any adjustments related to prior years.

The Danish group companies are subject to mandatory national group taxation under Danish rules. Ennogie Solar Group A/S serves as the administrative company in the Danish group taxation, which includes its subsidiary companies Porteføljeselskab A/S and Ennogie ApS. The administrative company for group taxation settles all corporate tax payments with the tax authorities. The current corporate tax is allocated when settling the group taxation contribution among the group-taxed companies based on their taxable income. In connection with this, companies with taxable losses receive group taxation contributions from companies that have been able to use these losses to reduce their own taxable income.

Balance Sheet
Intangible Assets
Development Projects
Development costs include external expenses, salaries, and depreciation that can be directly and indirectly attributed to development activities. Development projects that are clearly defined and identifiable, where technical feasibility, sufficient resources, and a potential future market or development opportunity can be demonstrated, and where the intention is to produce, market, or use the project, are recognized as intangible assets if the cost can be reliably measured, and there is sufficient assurance that future earnings can cover production, sales, and administrative costs, as well as development costs. Other development costs are recognized in the income statement as they are incurred.

Development costs that are recognized in the balance sheet are measured at cost, less accumulated depreciation and impairments.

Following the completion of development work, development costs are depreciated using the straight-line method over their estimated useful life. The usual depreciation period is typically 10 years.

Patents, Licenses, and Trademarks
Patents and licenses are measured at cost, less accumulated depreciation and impairments. Patents are depreciated using the straight-line method over the remaining patent period, while licenses are depreciated over the agreement period, with a maximum of 5 years.

Tangible Assets
Other fixed assets, operating equipment, and fixtures, as well as the leasehold improvements, are measured at cost, less accumulated depreciation and impairments.

The cost price includes the purchase price and expenses directly attributable to the acquisition until the asset is ready for use. Loan costs on loans used to finance the production of tangible assets are included in the cost price if they relate to the production period. Other loan costs are recognized in the income statement.

The cost price of an asset is divided into separate components, each of which is depreciated separately if the useful lives of the individual components differ. The depreciation base is determined as the cost price less any expected residual value after the end of the useful life.

The depreciation basis is allocated linearly over the expected useful life, as estimated, as follows:
- Other fixed assets, operating equipment, and fixtures: 1-5 years
- Leasehold improvements are depreciated over the remaining lease period, with a maximum of 10 years.

The useful life and residual value are reassessed annually. Any changes are treated as accounting estimates, and the impact on depreciation is recognized prospectively.

Profit and loss from the sale of tangible assets are calculated as the difference between the selling price, net of selling expenses, and the accounting value at the time of sale. Gains or losses are recognized in the income statement under other operating income or other operating expenses, respectively.

Notes to the consolidated financial statements

27. Material accounting Policies (Continued)

Financial Assets
Financial assets include deposits for the group's leases and hedging accounts where the group deposits amounts corresponding to guarantees agreed with customers.

Financial assets are recognized at amortized cost.

Impairment of Non-current assets
The Group assesses at each reporting date, whether there is an indication that an assets may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the recoverable amount is determined as the higher of the net selling price or value in use. Value in use is calculated as the present value of expected net cash flows from the use of the asset or asset group, including expected net cash flows from the sale of the asset or asset group after the end of its useful life.

Previously recognized impairments are reversed when the reason for impairment no longer exists.

Inventory
Inventories are measured at cost according to the FIFO method. In cases when the net realizable value of the inventories is lower than the cost, the latter is written down for impairment to this lower value.
The cost for trade goods, raw materials, and consumables comprises the acquisition cost with the addition of the delivery costs.

The cost for manufactured goods and works in progress comprises the cost for raw materials, consumables, direct wages, and indirect production costs. Indirect production costs comprise indirect materials and wages, maintenance of and depreciation on machinery, factory buildings and equipment applied during the production process, and costs for factory administration and factory management.

Borrowing costs are not recognised in cost.

The net realisable value for inventories is recognised as the market price with deduction of completion
Inventories are measured at cost according to the FIFO method. In cases when the net realisable value of the inventories is lower than the cost, the latter is written down for impairment to this lower value.
The cost for trade goods, raw materials, and consumables comprises the acquisition cost with the addition of the delivery costs.

The cost for manufactured goods and works in progress comprises the cost for raw materials, consumables, direct wages, and indirect production costs. Indirect production costs comprise indirect materials and wages, maintenance of and depreciation on machinery, factory buildings and equipment applied during the production process, and costs for factory administration and factory management.

Borrowing costs are not recognised in cost.

The net realisable value for inventories is recognised as the market price with deduction of completion costs and selling costs. The net realisable value is determined taking into consideration the negotiability, obsolescence, and development of the expected market price.

Receivables
Receivables are initially measured at fair value and subsequently at amortized cost, usually equal to the nominal value less allowances for expected losses. Allowances for expected losses are made using a simplified expected loss model, where the expected loss over the asset's lifetime is recognized immediately in the income statement, based on a historically derived loss rate. Additionally, further allowances may be made based on knowledge of underlying customer relationships and general market conditions. Allowances are made at the portfolio level and individually. Allowances for expected losses become actual losses when receivables are written off due to a debtor's bankruptcy or similar events.

Contract Assets
Contract asset is initially recognised for revenue earned from installations of solar solutions because the receipt of consideration is conditional on successful completion of the installation. Contracts assets typically represents a single performance obligations and upon completion of the installation and acceptance by the customer, the amount recognised as contract assets is reclassified to trade receivables.

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

The revenue recognition model is generally based on the transfer of control as work progresses, which can be determined using milestones, stage of completion, or other appropriate methods. This approach ensures that revenue is recognized as control over the asset is transferred to the customer.

If the outcome of a construction contract cannot be reliably estimated, revenue is recognized only to the extent of costs incurred that are expected to be recoverable. This approach is applied when it is not probable that the entity will recover the costs incurred under the contract.

Prepayments
Prepayments, included under current assets, comprise prepayments for expenses related to subsequent financial years.

Notes to the consolidated financial statements

27. Material accounting Policies (Continued)

Cash and Cash Equivalents
Cash and cash equivalents include cash in hand and bank balances.

Right-of-use assets
The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Plant and machinery 1 to 3 years
- Other equipment 3 to 5 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section.

Lease liabilities are measured at amortized cost.

Treasury Shares
The acquisition cost of treasury shares is deducted directly from equity. The selling price upon any subsequent disposal will be recognized directly in equity. The tax effect of the disposal of treasury shares is accounted for in equity.

Dividends
Proposed dividends are recognized as a liability at the time of approval at the annual general meeting. Dividends expected to be paid for the year are presented as a separate item under equity.

Warranty obligation
The group offers customers a warranty on the product sold. The warranty program includes a product guarantee and a performance guarantee. As the group's product is "young" it is not possible to make an empiric analysis of the claim ratio over the warranty period, and therefore the general warranty provision is based on the low incoming level of claims.

Other Provisions
Other provisions are recognized when the company, due to a past event, has a legal or constructive obligation, and it is probable that settling the obligation will result in an outflow of the company's economic resources.

Provisions are measured as the best estimate of the costs necessary to settle the obligations at the balance sheet date. Provisions with an expected maturity of more than one year from the balance sheet date are measured at present value.

Corporate Tax and Deferred Tax
Current tax liabilities and receivables are recognized in the balance sheet as the estimated tax on the taxable income for the year, adjusted for corrections of tax regarding previous years' taxable income and paid estimated taxes.

Deferred tax is measured using the balance sheet liability method for all temporary differences between the accounting and tax value of assets and liabilities. In cases where the tax value can be calculated according to different tax rules, deferred tax is measured based on the management's planned use of the asset or settlement of the liability.

Deferred tax is measured based on tax rules and rates that will be in effect with the current legislation when the deferred tax is expected to be triggered as current tax. Changes in deferred tax due to changes in tax rates are recognized in the income statement or equity.

Liabilities
Financial liabilities are measured at amortized cost. Other liabilities are measured at net realizable value.

Cash Flow Statement
The cash flow statement shows cash flows categorized into operating, investing, and financing activities for the year, the change in cash and cash equivalents during the year, and cash and cash equivalents at the beginning and end of the year.

Operating Activities
Cash flows from operating activities are calculated using the indirect method as profit after tax adjusted for non-cash operating items, changes in working capital, interest received and paid, dividends received, and corporate income tax paid.

Investing Activities
Cash flows from investing activities include purchases and sales of intangible, tangible, and other long-term assets.

Financing Activities
Cash flows from financing activities include changes in the size or composition of share capital and associated costs, as well as borrowing, repayment of interest-bearing debt, and payment of dividends to shareholders.

Cash and Cash Equivalents
Cash and cash equivalents include liquid assets.

28. New accounting policies and disclosures effective in 2023 or later

The IASB has issued a number of new standards and updated some existing standards, the majority of which are effective for accounting periods beginning on 1 January, 2024 or later. Therefore, they are not incorporated into these consolidated financial statements. There are no standards presently known that are not yet effective and that would be expected to have a material impact on Ennogie Solar Group in current or future reporting periods and on foreseeable future transactions.

Notes to the consolidated financial statements

29. Definition of Key Figures and KPI's

Net Working Capital (NWC)
Inventories, receivables from sales, other receivables, and accrued income (assets) minus received prepayments, accounts payable, other liabilities, and accrued expenses (liabilities).

Gross Margin (%)
Gross Profit / Revenue

EBITDA margin (%)
Earnings before interest, tax, depreciation and amortization (EBITDA) / Revenue

30. Completion of the inspection performed by Danish business authorities

In 2022, the Danish Business Authority initiated an inspection into the 2021 consolidated financial statements and parent company financial statements of Ennogie Solar Group A/S. In this context, they pointed out that the consolidated financial statements were incorrectly prepared as a continuation of Ennogie Solar Group A/S's consolidated financial statements.

In October 2023 the Danish Business Authorities provided their final conclusion, validating the corrections made to the 2021 comparative figures in the 2022 annual report. Consequently, the Danish Business Authority have decided to finalize the inspection with a formal reprimand.

A detailed description of the corrections is included in the disclosures of the Company's annual report for 2022

Parent Company Financial Statements

Parent company financial statements

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Income Statement

DKK '000	Note	2023	2022
Revenue		**346**	**0**
Other external expenses	*2*	(1.273)	(1.190)
Staff cost	*3*	(698)	(871)
Earnings before interest, tax, depreciations and amortization		**(1.625)**	**(2.061)**
Earnings before interes and tax (EBIT)		**(1.625)**	**(2.061)**
Income from investment in subsidiaries		(36)	(110)
Financial income	*4*	655	281
Financial expenses	*5*	(258)	(23)
Loss before tax		**(1.264)**	**(1.913)**
Tax for the year	*6*	0	15
Loss for the year		**(1.264)**	**(1.898)**
Distribution of profit/loss for the year:			
Retained earnings		**(1.264)**	**(1.898)**
		(1.264)	**(1.898)**

Balance Sheet

DKK '000	Note	2023	2022
Investment in subsidiaries	*7*	309.302	296.120
Receivable from group enterprises		19.857	5.294
Non-current assets		**329.160**	**301.414**
Prepayments		58	0
Receivables		**58**	**0**
Cash & cash equivalents		902	3.439
Current assets		**902**	**3.439**
Total assets		**330.120**	**304.853**
Share capital		31.360	27.784
Tresury shares	*8*	(561)	(561)
Retained earnings		296.259	276.063
Equity		**327.058**	**303.287**
Debt to group enterprises		988	1.011
Non-current liabilities		**988**	**1.011**
Warranty provision	*10*	927	0
Accounts payable		560	0
Other payables		587	555
Current liabilities		**2.074**	**555**
Total liabilities		**3.062**	**1.566**
Total equity and liabilities		**330.120**	**304.853**

Equity Statement

DKK '000	Share capital	Treasury shares	Retained earnings	Total
	2023			
Equity at 1 January	**27.784**	**(561)**	**276.063**	**303.287**
Loss for the year	0	0	(1.264)	(1.264)
Capital increase	3.575	0	21.598	25.173
Share-based payment	0	0	(138)	(138)
Equity at 31 December	**31.360**	**(561)**	**296.259**	**327.058**

	2022			
	Share capital	**Treasury shares**	**Retained earnings**	**Total**
Equity at 1 January	**26.250**	**(561)**	**256.340**	**282.029**
Loss for the year	0	0	(1.898)	(1.898)
Capital increase	1.534	0	21.074	22.608
Share-based payment	0	0	548	548
Equity at 31 December	**27.784**	**(561)**	**276.063**	**303.287**

Cash Flow Statement

DKK '000	2023	2022
Operating result (EBIT)	**(1.625)**	**(2.061)**
Share-based payments	(150)	450
Operating cash flows before changes in working capital	**(1.775)**	**(1.611)**
- Changes in prepayments	(58)	0
- Changes in account payables	560	0
- Changes in other liabilities	33	0
Operating cash flows	**(1.241)**	**(1.611)**
Interests paid/received	398	258
Income taxes paid	0	15
Cash flows from operations	**(843)**	**(1.338)**
Investment in group enterprises	(12.280)	0
Intercompany transactions	(14.564)	0
Cash flows from investments	**(26.844)**	**0**
Free cash flows	**(27.687)**	**(1.338)**
Proceeds from capital increase	25.387	0
Transaction costs charged to equity	(215)	(100)
Transactions on debts to group enterprises	(23)	0
Cash flows from financing activities	**25.150**	**(100)**
Net cash flows for the period	**(2.537)**	**(1.438)**
Cash and cash equivalents at the beginning of the period	**3.439**	**9.058**
Net cash flows for the period	(2.537)	(1.438)
Cash and cash equivalents at the end of the period	**902**	**3.439**

Notes to the parent company financial statements

1. Key accounting estimates and judgements

In the preparation of the company’s consolidated financial statements management is required to make judgements, estimates and assumptions that effect the reported amounts of revenue, expenses, assets and liabilities, the accompanying disclosures, and the disclosures of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The made estimates and the underlying assumptions are continuously reassessed. Changes to made accounting estimates are recognized in the accounting period in which the change occurs, and in future accounting periods if the change affects both the current and future accounting periods.

The accounting estimates and assessments that management considers significant for the preparation and understanding of the consolidated financial statements are described in more detail in the following section.

Please refer to note 13 for further description.

Share-based compensation:
Estimated fair value for share-based payment transactions requires determination of the most appropriate valuation model, which depend on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option or appreciation right, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in note 6.

Investments
Investments in subsidiaries are measured at cost in the parent company's annual financial statements. If there are indications of impairment, impairment tests are performed. If the cost exceeds the recoverable amount of the investments, they are impaired to this amount. We have assessed the value of the investments as of 31 December 2023, including considering any indication of impairment. The indication of impairment is based on the stock market value of the shares in the subsidiary. As of the end of 2023 they represent a significantly higher value than the acquisition cost, hence no impairment has been recorded during the year.

Tax asset:
The Group has significant unrecognized tax assets, primarily relating to tax loss carryforwards and losses in the Group's Danish companies.

The deferred tax assets are not recognized as of 31 December 2023, due to uncertainty about future utilization.

2. Fees to independent auditor

DKK '000	2023	2022
Statotury Audit	214	236
Other assurance engagements	16	(306)
Other services	0	6
Total fee to KPMG	**230**	**(64)**

Notes to the parent company financial statements

3. Staff costs

DKK '000	2023	2022
Salary	826	421
Share-based compensation	(150)	450
Other staff cost	22	0
Total staff cost	**698**	**871**
Average number of employees	**1**	**0**
Remuneration for group management and board		
Salary	486	120
Executive management	**486**	**120**
Board remuneration	294	100
Share-based compensation	(150)	450
Board remuneration	**144**	**550**
Total	**630**	**670**

4. Financial income

DKK '000	2023	2022
Interest income from Group enterprises	655	281
Total financial income	**655**	**281**

5. Financial expenses

DKK '000	2023	2022
Other financial expenses	258	23
Total financial cost	**258**	**23**

6. Tax for the year

DKK '000	2023	2022
Adjustments regarding previous years	0	15
Tax for the year	**0**	**15**

7. Subsidiaries

2023

DKK '000	Investment in subsidiaries
Cost at 1 January	445.001
Additions	13.182
Cost at 31 December	**458.183**
Write down at 1 January	(148.881)
Write down this year	0
Write down at 31 december	**(148.881)**
Carrying amount at 31 December	**309.302**

2022

DKK '000	Investment in subsidiaries
Cost at 1 January	422.194
Additions	22.807
Cost at 31 December	**445.001**
Write down at 1 January	(148.771)
Write down this year	(110)
Write down at 31 december	**(148.881)**
Carrying amount at 31 December	**296.120**

Subsidiaries:	**Domicile:**	
Porteføljeselskab A/S	Denmark	100%
Ennogie ApS	Denmark	100%

See note 25 in the consolidated financial statements for a complete list of the group's subsidiaries.

Notes to the parent company financial statements

8. Treasury shares

The holding of treasury shares includes the cost price of treasury shares in Ennogie Solar Group A/S. As of 31 December 2023, the company's holding of treasury shares consists of 10,453 shares (31 December 2022: 10,453 shares).

The market value of the company's holding of treasury shares amounted to DKK 171 thousand as of December 31, 2023 (December 31, 2022: DKK 311 thousand). The shares stem from the period before Ennogie became part of the group, and management is considering whether the shares should be exchanged for liquidity or used for share-based compensation.

9. Warrants

The company established a warrant program for the group's Board of Directors, key management personnel, and employees in September 2022. Please refer to group note 7 for information regarding the value of the total program and its breakdown. For warrants granted to individuals employed in one of the company's subsidiaries, the value of the share-based compensation is recorded as an increase in the capital shares with a corresponding entry in other reserves in equity.

In addition to the established program from 2022, the subsidiary Ennogie ApS established a warrant program in 2019, for former shareholders, including the management and Board of Directors, where a total of 60,000 warrants were granted. The granted warrants could be exercised in whole or in part until December 31, 2023. In 2023, 39,663 of the granted warrants were exercised, which were immediately exchanged for shares in Ennogie Solar Group A/S at a conversion ratio of 1:75.

For information regarding share-based compensation and an overview of outstanding warrants, please refer to group note 6.

10. Contingent liabilities and intercompany financial guarantee contracts

Ennogie Solar Group A/S has provided joint and several guarantees for loans taken out by its subsidiary Ennogie ApS. As of 31 December 2023, the loan amount is DKK 19,048 thousand. The current value end 2023 of the guarantee amounts to DKK 927,270. Additionally, the company has provided joint and several guarantees for the subsidiary Porteføljeselskab A/S' obligations to its primary banking relationship. As of December 31, 2023, Porteføljeselskab A/S has no bank debt. The current value set off as provision for this guarentee amounts to DKK 0.

Ennogie Solar Group A/S is the administration company in a Danish tax consolidation with its Danish subsidiaries. The consolidated companies are jointly and severally liable for taxes on the consolidated income of the group and for certain potential withholding taxes such as dividend tax and royalty tax. The consolidated companies' net obligation to SKAT (Danish Tax Authority) amounts to DKK 0 as of 31 December 2023. Any subsequent adjustments to the taxable consolidated income or withholding taxes on dividends, etc., may result in the company's liability amounting to a larger sum.

11. Related parties

Ennogie Solar Group A/S has no related parties with significant influence.

Related parties include the parent company's Board of Directors and management, as they constitute the primary management. Also included are the close family members of these individuals and companies where this group of people has control.

Related parties also include the company's subsidiaries and their subsidiaries. Please refer to note 27 in the consolidated financial statements for a list of associated companies.

Transactions with related parties can be specified as follows.

	Board of directors & Executive management		Group enterprises	
DKK '000	2023	2022	2023	2022
Salary and remuneration	613	670	0	0
Interest, net (-/cost)	0	0	655	281
Receivables/debts to group enterprises, net (-/debts)	0	0	18.870	4.283
Securities and guarantees	0	0	23.377	22.450

12. Subsequent events

No significant events have occurred after the balance sheet date that are of significance for the consolidated financial statements.

13. Accounting policies

The annual financial statements of the parent company are prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and additional requirements of the Danish Financial Statements Act.

The financial statements are presented in DKK '000.

The accounting policies applied are unchanged from 2022, and the description in the note has been clarified.

The parent company applies essentially the same accounting policies for recognition and measurement as the group. Reference is made to the consolidated financial statements for a description thereof.

Investments in subsidiaries are measured at cost in the parent company's annual financial statements. If there are indications of impairment, impairment tests are performed. If the cost exceeds the recoverable amount of the investments, they are impaired to this amount. Dividends from subsidiaries are recognized in the year in which the dividends are declared.

Management's statement

Today, the Board of Directors and Executive Management have reviewed and approved the annual report for Ennogie Solar Group A/S for the financial year 1 January – 31 December 2023.

The annual report is prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the Group's and the Parent Company's assets, liabilities and financial position at 31 December 2023 and of the results of the Group's and the Parent Company's operations and consolidated cash flows for the financial year 1 January – 31 December 2023.

Further, in our opinion, the Management's review gives a fair review of the development in the Group's and the Parent Company's activities and financial matters, of the results for the year and of the Group's and the Parent Company's financial position.

We believe that the annual report for Ennogie Solar Group A/S for the financial year January 1 - December 31, 2023, with the filename "EnnogieSolarGroup-2023-12-31-en“, has been prepared in all material respects in accordance with the ESEF Regulation.

We recommend that the annual report be approved at the annual general meeting.

Herning, 2 April 2024

Executive Management

Lars Brøndum Petersen
CEO

Martin Woldby Papsø
COO

Leif Arnbjerg
CFO

Board of Directors

Henrik Golman Lunde, Chairman

Peter Ott

Klaus Lorentzen

Silke Weiss

Independent auditor's report

To the shareholders of Ennogie Solar Group A/S

Report on the audit of the consolidated financial statements and parent company financial statements

Opinion

In our opinion, the consolidated financial statements and the Parent Company financial statements give a true and fair view of the Group's and the Parent Company's assets, liabilities and financial position at 31 December 2023 and of the results of the Group's and Parent Company's operations and cash flows for the financial year 1 January – 31 December 2023 in accordance with the IFRS Accounting Standards as adopted by the EU and additional requirements in the Danish Financial Statements Act.

Our opinion is consistent with our long-form audit report to the Board or Directors and the Audit Committee.

Audited financial statements

Ennogie Solar Group A/S' consolidated financial statements and parent company financial statements for the financial year 1 January – 31 December 2023 comprise the income statement, statement of comprehensive income, balance sheet, statement of changes in equity, statement of cash flows and notes, including summary of material accounting policy information, for the Group as well as for the Parent Company (the financial statements). The financial statements are prepared in accordance with the IFRS Accounting Standards as adopted by the EU and additional requirements in the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark.

Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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.

Independent auditor's report

We declare, to the best of our knowledge and belief, that we have not provided any prohibited non-audit services, as referred to in Article 5(1) of the Regulation (EU) 537/2014 and that we remained independent in conducting the audit.

We were appointed auditors of Ennogie Solar Group A/S for the first time on 24 April 2017 for the financial year 2017. We have been re-appointed by resolutions passed by the annual general meeting for a total uninterrupted engagement period of 7 years up to and including the financial year ending 31 December 2023.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the 2023 financial year. These matters were addressed in the context of our audit of the financial statements as a whole, and in the forming of our opinion thereon. We do not provide a separate opinion on these matters.

Key audit matters	How our audit addressed the key audit matter
Revenue recognition (Cut-off risk) Revenue in 2023 amounts to DKK 99 million, of which DKK 87 million is recognized upon transfer of control to the buyer (point-in-time) and 12 million DKK is recognized over time in connection with major contracts. Management has assessed the transfer of control to the buyer, mainly at year end. Which in some cases requires a detailed assessment of the contract, possibly different delivery terms and the timing of the transfer of control. Due to the financial significance of revenue, we considered recognition and cut-off of revenue to be a key audit matter for the consolidated financial statements. We refer to note 3 in the consolidated financial statements regarding disclosures related to revenue and note 27 in the consolidated financial statements for the group's accounting policy.	For the purpose of our audit, the procedures we carried out included the following: • We have assessed whether the selected accounting policy for revenue recognition is appropriate for the Company's business model and the Company's contracts with customers. • We have reconciled recognised revenue for the year to the invoices, prepayments and final payments, where relevant. • We have selected a sample of recognised revenue transactions before and after the balance sheet date and assessed the timing of recognition based on underlying documentation such as contracts, production and packaging schedules, delivery documentation, etc. • For a portion of recognised revenue, we have obtained and tested proof of delivery before the balance sheet date and subsequent cash-receipts. • We have evaluated whether disclosures related to revenue are appropriate and in accordance with the relevant accounting standards.

Independent auditor's report

Key audit matters (continued)

Key audit matters	How our audit addressed the key audit matter
Valuation of investments in Ennogie ApS Investment in Ennogie ApS measured at cost of DKK 309 million. The value of the investment is deemed to be significant for the parent Company's financial statements. Management has assessed the value of the Investments as at 31 December 2023, including considering any indications of impairment. Due to the financial significance of the investments and estimates related to assessment of indications of impairment, we considered the valuation of investments in Ennogie ApS to be a key audit matter for the parent company's financial statements. We refer to disclosure in note 7 to the parent company's financial statements regarding the accounting judgement and the assessment of the valuation and to note 13 in the parent company's accounting policies.	**For the purpose of our audit, the procedures we carried out included the following:** • As part of our procedures, we reviewed and challenged Management's assessment of the indications of impairment, including Management's assessment of the financial performance of Ennogie ApS in relation to the expectations prior to the acquisition, as well as development of Ennogie Solar Group A/S's share price since the acquisition of the share.

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the 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 the Management's review and, in doing so, consider whether the 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 the Management's review provides the information required by relevant law and regulations.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with relevant law and regulations. We did not identify any material misstatement of the Management's review.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the IFRS Accounting Standards as adopted by the EU and additional requirements in the Danish Financial Statements Act and for such internal control that 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 Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Group or the Parent Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to 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 may 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 Group's and the Parent Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

Independent auditor's report

Independent auditor's report

- 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 Group's and the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Parent Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied..

From the matters communicated to those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determined that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication..

Report on compliance with the ESEF Regulation

As part of our audit of the consolidated financial statements and parent company financial statements of Ennogie Solar Group A/S we performed procedures to express an opinion on whether the annual report of Ennogie Solar Group A/S for the financial year 1 January – 31 December 2023 with the file name: "EnnogieSolarGroup-2023-12-31-en" is prepared, in all material respects, in compliance with the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) which includes requirements related to the preparation of the annual report in XHTML format and iXBRL tagging of the consolidated financial statements.

Management is responsible for preparing an annual report that complies with the ESEF Regulation. This responsibility includes:

- The preparing of the annual report in XHTML format;
- The selection and application of appropriate iXBRL tags, including extensions to the ESEF taxonomy and the anchoring thereof
- Ensuring consistency between iXBRL tagged data and the Consolidated Financial Statements presented in human readable format; and
- For such internal control as Management determines necessary to enable the preparation of an annual report that is compliant with the ESEF Regulation.

Our responsibility is to obtain reasonable assurance on whether the annual report is prepared, in all material respects, in compliance with the ESEF Regulation based on the evidence we have obtained, and to issue a report that includes our opinion. The nature, timing and extent of procedures selected depend on the auditor's judgement, including the assessment of the risks of material departures from the requirements set out in the ESEF Regulation, whether due to fraud or error. The procedures include:

- Testing whether the annual report is prepared in XHTML format;
- Obtaining an understanding of the company's iXBRL tagging process and of internal control over the tagging process;
- Evaluating the completeness of the iXBRL tagging of the Consolidated Financial Statements;
- Evaluating the appropriateness of the company's use of iXBRL elements selected from the ESEF taxonomy and the creation of extension elements where no suitable element in the ESEF taxonomy has been identified;
- Evaluating the use of anchoring of extension elements to elements in the ESEF taxonomy; and
- Reconciling the iXBRL tagged data with the audited Consolidated Financial Statements.

In our opinion, the annual report of Ennogie Solar Group A/S for the financial year 1 January – 31 December 2023 with the file name "EnnogieSolarGroup-2023-12-31-en" prepared, in all material respects, in compliance with the ESEF Regulation.

København, 2 April 2024

KPMG
Statsautoriseret Revisionspartnerselskab
CVR-nr. 25 57 81 98

Kåre Kansonen Valtersdorf State Authorised Public Accountant mne34490	Ilhan Dogan State Authorised Public Accountant mne47842