
EDF EN Denmark A/S

c/o PricewaterhouseCoopers, Jens Chr. Skous Vej 1,
DK-8000 Aarhus C

Annual Report for 1 January - 31 December 2019

CVR No 15 50 35 72

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
2 /9 2020

Michel Benoit
Chairman of the General
Meeting

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Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of EDF EN Denmark A/S for the financial year 1 January - 31 December 2019.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Financial Statements give a true and fair view of the financial position at 31 December 2019 of the Company and of the results of the Company operations for 2019.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

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

Aarhus, 2 September 2020

Executive Board

Cédric Le Bousse
Executive Officer

Board of Directors

Denis Jean-Pierre Rouhier
Chairman

Cédric Le Bousse

Stephané Bernard Debruyne

Independent Auditor's Report

To the Shareholder of EDF EN Denmark A/S

Opinion

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2019 and of the results of the Company's operations for the financial year 1 January – 31 December 2019 in accordance with the Danish Financial Statements Act.

We have audited the financial statements of EDF EN Denmark A/S for the financial year 1 January – 31 December 2019, comprising income statement, balance sheet and notes, including accounting policies. The financial statements are prepared in accordance with 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 are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

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

Management's responsibilities for the Financial Statements

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

Auditor's responsibilities for the 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 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 financial statement users made on the basis of these financial statements.

Independent Auditor's Report

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 company 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 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.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on Management's Review

Management is responsible for Management's Review.

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

In connection with our audit of the Financial Statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially

Independent Auditor's Report

misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financials Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

Aarhus, 2 September 2020

KPMG

Statsautoriseret Revisionspartnerselskab

CVR No 25 57 81 98

Katrine Gybel

statsautoriseret revisor

mne45848

Company Information

The Company

EDF EN Denmark A/S
c/o PricewaterhouseCoopers
Jens Chr. Skous Vej 1
DK-8000 Aarhus C

CVR No: 15 50 35 72

Financial period: 1 January - 31 December

Municipality of reg. office: Aarhus

Board of Directors

Denis Jean-Pierre Rouhier, Chairman
Cédric Le Bousse
Stephané Bernard Debruyne

Executive Board

Cédric Le Bousse

Auditors

KPMG
Statsautoriseret Revisionspartnerselskab
Bredskifte Allé 13
DK-8000 Aarhus C

Management's Review

Key activities

The object of the Company is the ownership as well as the administration, management, service and project development of energy projects in Denmark and abroad. The object may also be realised through wholly or partly owned subsidiaries in Denmark and abroad.

Development in the year

The income statement of the Company for 2019 shows a loss of DKK 11,967,234, and at 31 December 2019 the balance sheet of the Company shows negative equity of DKK 19,666,310.

At the end of 2019 the Company has lost more than half of its equity. The equity is expected to be restored through debt conversions and future earnings.

Subsequent events

The pandemic crisis related to COVID-19 generates uncertainty on the global economy. However, there is no impact to be mentioned at this stage on the company's activity and on the company's accounts as of the 31st December 2019.

Income Statement 1 January - 31 December

	<u>Note</u>	<u>2019</u> DKK	<u>2018</u> DKK
Gross loss		-1,593,809	-721,680
Staff expenses	1	<u>0</u>	<u>-739</u>
Loss before financial income and expenses		-1,593,809	-722,419
Income from investments in subsidiaries	2	-10,749,204	-8,256,254
Financial income	3	1,248,311	1,303,839
Financial expenses	4	<u>-872,532</u>	<u>-912,689</u>
Loss before tax		-11,967,234	-8,587,523
Tax on loss for the year		<u>0</u>	<u>0</u>
Net loss for the year		<u>-11,967,234</u>	<u>-8,587,523</u>

Distribution of profit

Proposed distribution of profit

Retained earnings		<u>-11,967,234</u>	<u>-8,587,523</u>
		<u>-11,967,234</u>	<u>-8,587,523</u>

Balance Sheet 31 December

Assets

	<u>Note</u>	<u>2019</u> DKK	<u>2018</u> DKK
Investments in subsidiaries	5	0	0
Other fixed asset investments	6	144,892	144,892
Fixed assets investments		144,892	144,892
Fixed assets		144,892	144,892
Receivables from group enterprises		47,372,306	66,364,607
Other receivables		0	13,102
Receivables		47,372,306	66,377,709
Cash at bank and in hand		421,935	256,947
Currents assets		47,794,241	66,634,656
Assets		47,939,133	66,779,548

Balance Sheet 31 December

Liabilities and equity

	<u>Note</u>	<u>2019</u> DKK	<u>2018</u> DKK
Share capital		4,700,000	4,700,000
Retained earnings		-24,366,310	-12,399,076
Equity	7	-19,666,310	-7,699,076
Trade payables		187,180	150,135
Payables to group enterprises		67,103,776	74,328,489
Corporation tax		17,290	0
Other payables		297,197	0
Short term debt		67,605,443	74,478,624
Debt		67,605,443	74,478,624
Liabilities and equity		47,939,133	66,779,548
Related parties	8		
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Statement of Changes in Equity

	<u>Share capital</u> DKK	<u>Retained earnings</u> DKK	<u>Total</u> DKK
Equity at 1 January	4,700,000	-12,399,076	-7,699,076
Net profit/loss for the year	0	-11,967,234	-11,967,234
Equity at 31 December	<u>4,700,000</u>	<u>-24,366,310</u>	<u>-19,666,310</u>

Notes to the Financial Statements

	<u>2019</u> DKK	<u>2018</u> DKK
1 Staff expenses		
Other social security expenses	<u>0</u>	<u>739</u>
	<u>0</u>	<u>739</u>
Average number of employees	<u>0</u>	<u>0</u>
2 Income from investments in subsidiaries		
Share of profits of subsidiaries	<u>-10,749,204</u>	<u>-8,256,254</u>
	<u>-10,749,204</u>	<u>-8,256,254</u>
3 Financial income		
Interest received from group enterprises	1,166,911	1,257,939
Other financial income	<u>81,400</u>	<u>45,900</u>
	<u>1,248,311</u>	<u>1,303,839</u>

Notes to the Financial Statements

	2019 DKK	2018 DKK
4 Financial expenses		
Interest paid to group enterprises	829,454	893,489
Other financial expenses	43,078	19,200
	872,532	912,689
5 Investments in subsidiaries		
Cost at 1 January	80,000	80,000
Cost at 31 December	80,000	80,000
Revaluations at 1 January	-37,137,823	-28,881,569
Net profit/loss for the year	-10,749,204	-8,256,254
Revaluations at 31 December	-47,887,027	-37,137,823
Equity investments with negative net asset value amortised over receivables	47,807,027	37,057,823
Carrying amount at 31 December	0	0

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Votes and ownership	Equity	Net profit/loss for the year
EDF EN Osterild ApS	Denmark	DKK 80.000	100%	-47,807,027	-10,749,204

6 Other

	Other fixed asset investments DKK
Cost at 1 January	144,892
Cost at 31 December	144,892
Carrying amount at 31 December	144,892

Notes to the Financial Statements

7 Equity

The share capital consists of 4,700,000 shares of a nominal value of DKK 1. No shares carry any special rights.

At the end of 2019 the Company has lost more than half of its equity. The equity is expected to be restored through debt conversion and future earnings.

The ultimate parent company has provided a letter of support to EDF EN Denmark A/S and EDF EN Osterild ApS effective until 31 December 2020, comprising existing balances and additional liquidity requirements with a cap of DKK 15 million.

8 Related parties

Ownership

The following shareholder is recorded in the Company's register of shareholders as holding at least 5% of the votes or at least 5% of the share capital:

EDF Energies Nouvelles S.A., France

Consolidated Financial Statements

The Company is included in the Consolidated Annual Report of the Parent Company.

<u>Name</u>	<u>Place of registered office</u>
Electricité de France S.A.	Paris, France

EDF EN Denmark A/S is part of the consolidated financial statements of Electricité de France S.A., which is the smallest group in which the company is included as a subsidiary and may be obtained at the following address:

Electricité de France S.A.
22-30, avenue de Wagram
75008 Paris
France

Notes to the Financial Statements

9 Accounting Policies

The Annual Report of EDF EN Denmark A/S for 2019 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2019 are presented in DKK.

Consolidated financial statements

With reference to section 110 of the Danish Financial Statements Act, no consolidated financial statements are prepared.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Notes to the Financial Statements

9 Accounting Policies (continued)

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Income Statement

Other external expenses

Other external expenses comprise indirect production costs and expenses for premises, sales and distribution as well as office expenses, etc.

Gross loss

With reference to section 32 of the Danish Financial Statements Act, gross loss is calculated as a summary of other external expenses.

Staff expenses

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

Income from investments in subsidiaries

The item "Income from investments in subsidiaries" in the income statement includes the proportionate share of the profit for the year.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

Balance Sheet

Investments in subsidiaries

Investments in subsidiaries are recognised and measured under the equity method.

The item "Investments in subsidiaries" in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition with deduction or addition of unrealised intercompany profits or losses and with addition of the remaining value of any increases in value and goodwill calculated at the time of acquisition of the enterprises.

Notes to the Financial Statements

9 Accounting Policies (continued)

The total net revaluation of investments in subsidiaries is transferred upon distribution of profit to “Reserve for net revaluation under the equity method“ under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in the subsidiaries.

Subsidiaries with a negative net asset value are recognised at DKK 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.

Fixed asset investments

Investments which are not traded in an active market are measured at the lower of cost and recoverable amount.

Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

Write-downs are calculated as the difference between the carrying amount of receivables and the present value of forecast cash-flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Equity

Dividend

Dividend distribution proposed by Management for the year is disclosed as a separate equity item.

Liabilities other than provisions

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