
EDF EN Denmark A/S

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

Annual Report for 2020

CVR No. 15 50 35 72

The Annual Report was
presented and adopted
at the Annual General
Meeting of the
company
on 2/7 2021

Michel Benoit
Chairman of the
general meeting



Contents

	<u>Page</u>
Management's Statement and Auditor's Report	
Management's statement	1
Independent Auditor's report	2
Management's Review	
Company information	5
Management's review	6
Financial Statements	
Income statement 1 January 2020 - 31 December 2020	7
Balance sheet 31 December 2020	8
Statement of changes in equity	10
Notes to the Financial Statements	11

Management's statement

The Executive Board and Board of Directors have today considered and adopted the Financial Statements of EDF EN Denmark A/S for the financial year 1 January - 31 December 2020.

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 2020 of the Company and of the results of the Company operations for 2020.

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

We recommend that the Financial Statements be adopted at the Annual General Meeting.

Aarhus C, 2 July 2021

Executive Board

Cédric Le Bousse
Manager

Board of Directors

Frédéric Belloy
Chairman

Cédric Le Bousse

Stéphane Bernard Debruyne

Independent Auditor's report

To the shareholder of EDF EN Denmark A/S

Qualified Opinion

We have audited the financial statements of EDF EN Denmark A/S for the financial year 1 January – 31 December 2020, comprising income statement, balance sheet and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, except for the possible effects of the matter described in the "Basis for qualified opinion" section of our report, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2020 and of the results of the Company's operations for the financial year 1 January – 31 December 2020 in accordance with the Danish Financial Statements Act.

Basis for Qualified Opinion

EDF EN Denmark A/S has recognised income from investments in subsidiaries of DKK 13,844 thousand in the income statement for 2020. The income from the subsidiaries includes income tax adjustment of deferred tax asset for the subsidiary DKK 10,070 thousand, which has increased the net profit from the subsidiary of the financial year 2020. The deferred tax asset in the subsidiary is recognised based on Management's expectation of utilisation within 3-5 years. Management has provided us with evidence for the expected utilisation of DKK 3,100 thousand based on expected result from the subsidiary of the year for 2021. Management has not been able to provide further evidence that enable us to perform audit procedures over the remaining income tax adjustment of deferred tax asset amounting to DKK 6,970 thousand. Accordingly, we have been unable to determine whether any adjustments to this amount could have been necessary.

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 qualified 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 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 Management's Review provides the information required under the Danish Financial Statements Act.

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 the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Independent Auditor's report

Aarhus, 2 July 2021

KPMG, Statsautoriseret Revisionspartnerselskab
Statsautoriseret Revisionspartnerselskab
CVR No 25578198

Katrine Gybel
State Authorised Public Accountant
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	Frédéric Belloy, chairman Cédric Le Bousse Stéphane Bernard Debruyne
Executive board	Cédric Le Bousse
Auditors	KPMG, Statsautoriseret Revisionspartnerselskab Bredskifte Allé 13 8210 Aarhus V

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 2020 shows a profit of DKK 13,946,445, and at 31 December 2020 the balance sheet of the Company shows negative equity of DKK 5,719,865.

At the end of 2020 the Company has lost more than half of its equity. The equity is expected to be restored through debt conversions and future earnings.

Uncertainty relating to recognition and measurement

EDF EN Denmark A/S has recognised income from investments in subsidiaries of DKK 13,844 thousand in the income statement for 2020. The income from the subsidiaries includes income tax adjustment of deferred tax asset for the subsidiary DKK 10,070 thousand, which has increased the net profit from the subsidiary of the financial year 2020. In prior years, the deferred tax asset has been written down to 0 due to negative results in prior years and significant uncertainty relating to the utilization of the deferred tax asset.

The subsidiary has realized a positive result for 2020 which is also expected for 2021. In addition, Management expects to realise a profit in the subsidiary from sale of the windmill. Due to this, Management has decided to recognize the full deferred tax asset as of 31 December 2020.

The measurement of the deferred tax asset in the subsidiary, and correspondingly income recognized in the income statement, is relating to uncertainty due to the general uncertainty of budgets and in particular projections. Due to this, income from investment in subsidiary as of 31 December 2020 is likewise associated with uncertainty. Management refers to note 1 for further disclosures relating to the uncertainty.

Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Income statement 1 January - 31 December

	Note	2020	2019
		DKK	DKK
Other external expenses		-383,693	-1,593,809
Gross loss		-383,693	-1,593,809
Income from investments in subsidiaries	2	13,843,954	-10,749,204
Financial income	3	1,515,287	1,248,311
Financial expenses	4	-1,029,103	-872,532
Profit/loss before tax		13,946,445	-11,967,234
Tax on profit/loss for the year		0	0
Net profit/loss for the year		13,946,445	-11,967,234

Distribution of profit

	2020	2019
	DKK	DKK
Proposed distribution of profit		
Retained earnings	13,946,445	-11,967,234
	13,946,445	-11,967,234

Balance sheet 31 December

Assets

	Note	2020 DKK	2019 DKK
Investments in subsidiaries	5	0	0
Other investments	6	144,892	144,892
Fixed asset investments		144,892	144,892
Fixed assets		144,892	144,892
Receivables from group enterprises		34,886,464	47,372,306
Other receivables		893	0
Receivables		34,887,357	47,372,306
Cash at bank and in hand		1,212,780	421,935
Current assets		36,100,137	47,794,241
Assets		36,245,029	47,939,133

Balance sheet 31 December

Liabilities and equity

	Note	2020	2019
		DKK	DKK
Share capital	7	4,700,000	4,700,000
Retained earnings		-10,419,865	-24,366,310
Equity		-5,719,865	-19,666,310
Trade payables		198,909	187,180
Payables to group enterprises		41,765,985	67,103,776
Corporation tax		0	17,290
Other payables		0	297,197
Short-term debt		41,964,894	67,605,443
Debt		41,964,894	67,605,443
Liabilities and equity		36,245,029	47,939,133
Uncertainty relating recognition and measurement	1		
Related parties	8		
Accounting Policies	9		

Statement of changes in equity

	Share capital	Retained earnings	Total
	DKK	DKK	DKK
Equity at 1 January	4,700,000	-24,366,310	-19,666,310
Net profit/loss for the year	0	13,946,445	13,946,445
Equity at 31 December	4,700,000	-10,419,865	-5,719,865

Notes to the Financial Statements

1. Uncertainty relating to recognition and measurement

The measurement of the deferred tax asset in the subsidiary, and correspondingly income recognized in the income statement, is relating to uncertainty due to the general uncertainty of budgets and in particular projections. Due to this, income from investment in subsidiary as of 31 December 2020 is likewise associated with uncertainty.

EDF EN Denmark A/S has recognised income from investments in subsidiaries of DKK 13,844 thousand in the income statement for 2020. The income from the subsidiaries includes income tax adjustment of deferred tax asset for the subsidiary DKK 10,070 thousand, which has increased the net profit from the subsidiary of the financial year 2020. In prior years, the deferred tax asset has been written down to 0 due to negative results in prior years and significant uncertainty relating to the utilization of the deferred tax asset.

The subsidiary has realized a positive result for 2020 which is also expected for 2021. In addition, Management expects to realise a profit in the subsidiary from sale of the windmill. Due to this, Management has decided to recognize the full deferred tax asset as of 31 December 2020.

2. Income from investments in subsidiaries

Share of profits of subsidiaries

2020	2019
DKK	DKK

13,843,954	-10,749,204
13,843,954	-10,749,204

2020	2019
DKK	DKK

3. Financial income

Interest received from group enterprises

Other financial income

Exchange adjustments

1,475,496	1,166,911
39,200	81,400
591	0
1,515,287	1,248,311

2020	2019
DKK	DKK

4. Financial expenses

Interest paid to group enterprises

Other financial expenses

1,016,473	829,454
12,630	43,078
1,029,103	872,532

Notes to the Financial Statements

	2020	2019
	DKK	DKK
5. Investments in subsidiaries		
Cost at 1 January	80,000	80,000
Cost at 31 December	80,000	80,000
Value adjustments at 1 January	-47,887,027	-37,137,823
Net profit/loss for the year	13,843,954	-10,749,204
Value adjustments at 31 December	-34,043,073	-47,887,027
Equity investments with negative net asset value amortised over receivables	33,963,073	47,807,027
Carrying amount at 31 December	0	0

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Ownership and Votes	Equity	Net profit/loss for the year
EDF En Osterild ApS	Denmark	80.000	100%	-33,963,073	13,843,954

6. Other fixed asset investments

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

7. Share capital

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 2020 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 2021, comprising existing balances and additional liquidity requirements with a cap of DKK 15 million.

Notes to the Financial Statements

8. Related parties and disclosure of consolidated financial statements

Consolidated Financial Statements

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 Renouvelables S.A., France

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 2020 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 2020 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

Danish kroner is used as the presentation currency. All other currencies are regarded as foreign currencies.

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.

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

Income statement

Other external expenses

Other external expenses comprise expenses for premises, sales and as well as office expenses, etc.

Gross loss

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss comprises other external expenses.

Notes to the Financial Statements

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 profit/loss for the year

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

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.

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 in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Financial debts

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