Energi Innovation ApS

H C Andersens Alle 3, 6600 Vejen

CVR no. 30 08 08 74

Annual report 2018

Approved at the Company's annual general meeting on 19 June 2019

Chairman:

.....
Poul Søndermark Svendsen

Building a better working world

Contents

Statement by the Executive Board

Today, the Executive Board has discussed and approved the annual report of Energi Innovation ApS for the financial year 1 January - 31 December 2018.

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

In my opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2018 and of the results of the Company's operations for the financial year 1 January - 31 December 2018.

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

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

Vandel, 19 June 2019
Executive Board:

.....
Poul Søndermark Svendsen

Independent auditor's report

To the shareholders of Energi Innovation ApS

Conclusion

We have conducted an extended review of the financial statements of Energi Innovation ApS for the financial year 1 January - 31 December 2018, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

Based on the work we have performed, in our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2018 and of the results of the Company's operations for the financial year 1 January - 31 December 2018 in accordance with the Danish Financial Statements Act.

Basis for conclusion

We conducted our extended review in accordance with the Danish Business Authority's standard on extended review for Small entities and FSR - Danish Auditors' standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the extended review of the financial statements" section. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Independence

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 additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

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 extended review of the financial statements

Our responsibility is to express a conclusion on the financial statements. This requires that we plan and perform procedures to obtain limited assurance for our conclusion on the financial statements and perform specifically required supplementary procedures to obtain additional assurance for our conclusion.

An extended review comprises procedures that primarily consist of making enquiries of Management and others within the Company, as appropriate, analytical procedures and the specifically required supplementary procedures as well as evaluation of the evidence obtained.

The procedures performed in an extended review are less than those performed in an audit, and accordingly, we do not express an audit opinion on the financial statements.

Statement on the Management's review

Management is responsible for the Management's review.

Our conclusion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

Independent auditor's report

In connection with our extended review 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 extended review, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the 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.

Kolding, 19 June 2019
ERNST & YOUNG
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Michael Vakker Maass
State Authorised Public Accountant
mne32772

Jonas Kirk Kristiansen
State Authorised Public Accountant
mne35475

Management's review

Company details

Name	Energi Innovation ApS
Address, Postal code, City	H C Andersens Alle 3, 6600 Vejen
CVR no.	30 08 08 74
Established	6 December 2006
Registered office	Vejen
Financial year	1 January - 31 December
Executive Board	Poul Søndermark Svendsen
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Kolding Åpark 1, 3. sal, 6000 Kolding, Denmark

Management's review

Business review

The entity's significant activity includes designing and building photovoltaic installations.

Financial review

The income statement for 2018 shows a profit of DKK 30,619,041 against a profit of DKK 16,716,528 last year, and the balance sheet at 31 December 2018 shows equity of DKK 56,407,396. Management considers the Company's financial performance in the year satisfactory.

Events after the balance sheet date

No events materially affecting the Company's financial position have occurred subsequent to the financial year-end.

Financial statements 1 January - 31 December

Income statement

Note	DKK	2018	2017
	Gross profit	19,483,631	8,059,337
2	Staff costs	-3,956,118	-3,418,585
3	Depreciation of property, plant and equipment	-78,111	-7,700
	Profit before net financials	15,449,402	4,633,052
	Income from investments in group enterprises	18,975,075	13,758,516
	Income from investments in associates	-149,999	0
4	Financial income	94,413	492,068
5	Financial expenses	-312,234	-783,685
	Profit before tax	34,056,657	18,099,951
6	Tax for the year	-3,437,616	-1,383,423
	Profit for the year	30,619,041	16,716,528
	Recommended appropriation of profit		
	Extraordinary dividend distributed in the year	0	5,500,000
	Net revaluation reserve according to the equity method	4,275,075	295,988
	Retained earnings	26,343,966	10,920,540
		30,619,041	16,716,528

Financial statements 1 January - 31 December

Balance sheet

Note	DKK	2018	2017
	ASSETS		
	Fixed assets		
7	**Property, plant and equipment**		
	Fixtures and fittings, other plant and equipment	910,448	26,950
		910,448	26,950
8	**Investments**		
	Investments in group enterprises	9,018,412	5,899,925
	Investments in associates	0	0
	Deposits	40,000	40,000
		9,058,412	5,939,925
	Total fixed assets	9,968,860	5,966,875
	Non-fixed assets		
	Inventories		
	Finished goods and goods for resale	0	83,642
		0	83,642
	Receivables		
	Trade receivables	83,165,156	1,159,174
9	Construction contracts	2,643,479	8,654,045
	Receivables from group enterprises	11,569,937	40,285
	Other receivables	33,754,107	44,739,614
	Prepayments	4,436,201	201,150
		135,568,880	54,794,268
	Cash	24,554,136	2,537,511
	Total non-fixed assets	160,123,016	57,415,421
	TOTAL ASSETS	170,091,876	63,382,296

Financial statements 1 January - 31 December

Balance sheet

Note	DKK	2018	2017
	EQUITY AND LIABILITIES		
	Equity		
10	Share capital	500,000	500,000
	Net revaluation reserve according to the equity method	10,087,750	5,812,675
	Retained earnings	45,819,646	19,475,680
	Total equity	56,407,396	25,788,355
	Provisions		
	Deferred tax	4,574,389	1,474,317
8	Provision, investments in group enterprises	0	111,879
	Total provisions	4,574,389	1,586,196
	Liabilities other than provisions		
	Current liabilities other than provisions		
	Bank debt	77,847	64,184
9	Construction contracts	87,259,484	0
	Trade payables	10,390,802	2,435,048
	Payables to group enterprises	1,026,490	15,287,765
	Corporation tax payable	349,326	0
	Other payables	10,006,142	3,520,748
	Deferred income	0	14,700,000
		109,110,091	36,007,745
	Total liabilities other than provisions	109,110,091	36,007,745
	TOTAL EQUITY AND LIABILITIES	170,091,876	63,382,296

1 Accounting policies
11 Contractual obligations and contingencies, etc.
12 Collateral

Financial statements 1 January - 31 December

Statement of changes in equity

DKK	Share capital	Net revaluation reserve according to the equity method	Retained earnings	Total
Equity at 1 January 2018	500,000	5,812,675	19,475,680	25,788,355
Transfer through appropriation of profit	0	4,275,075	26,343,966	30,619,041
Equity at 31 December 2018	500,000	10,087,750	45,819,646	56,407,396

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Energi Innovation ApS for 2018 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Reporting currency

The financial statements are presented in Danish kroner (DKK).

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rate at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the most recent financial statements is recognised in the income statement as financial income or financial expenses.

Foreign group entities

Foreign subsidiaries and associates are considered separate entities. Items in such entities' income statements are translated at an average exchange rate for the month, and balance sheet items are translated at closing rates. Foreign exchange differences arising on translation of the opening equity of foreign subsidiaries to closing rates and on translation of the income statements from average exchange rates to closing rates are taken directly to equity.

On recognition of foreign subsidiaries which are integral entities, monetary items are translated at closing rates. Non monetary items are translated at the exchange rate at the acquisition date or at the date of any subsequent revaluation or impairment of the asset. Income statement items are translated at the exchange rates at the transaction date. However, items derived from non monetary items are translated at historical exchange rates for the non monetary item.

Income statement

Revenue

The Company has chosen IAS 11/IAS 18 as interpretation for revenue recognition.

Income from construction contracts involving a high degree of customisation is recognised as revenue by reference to the stage of completion. Accordingly, revenue corresponds to the market value of the contract work performed during the year (percentage-of-completion method). This method is used where the total income and expenses and the degree of completion of the contract can be measured reliably.

Where income from a construction contract cannot be estimated reliably, contract revenue corresponding to the expenses incurred is recognised only in so far as it is probable that such expenses will be recoverable from the counterparty.

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Gross profit

The items revenue, cost of sales and external expenses have been aggregated into one item in the income statement called gross profit in accordance with section 32 of the Danish Financial Statements Act.

Cost of sales

Cost of sales includes the cost of goods used in generating the year's revenue.

Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Staff costs

Staff costs include wages and salaries, including compensated absence and pension to the Company's employees, as well as other social security contributions, etc. The item is net of refunds from public authorities.

Depreciation

The item comprises depreciation of property, plant and equipment.

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Fixtures and fittings, other plant and equipment	5 years

The residual value is determined at the time of acquisition and are reassessed every year. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised. In case of changes in the residual value, the effect on the depreciation charges is recognised prospectively as a change in accounting estimates.

Profit from investments in subsidiaries and associates

A proportionate share of the underlying entities' profit/loss after tax is recognised in the income statement according to the equity method. Shares of profit/loss after tax in subsidiaries and associates are presented as separate line items in the income statement. Full elimination of intra-group gains/losses is made for equity investments in subsidiaries. Only proportionate elimination of intra-group gains/losses is made for equity investments in associates.

Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

The entity is jointly taxed with other group entities. The total Danish income tax charge is allocated between profit/loss-making Danish entities in proportion to their taxable income (full absorption).

Jointly taxed entities entitled to a tax refund are reimbursed by the management company based on the rates applicable to interest allowances, and jointly taxed entities which have paid too little tax pay a surcharge according to the rates applicable to interest surcharges to the management company.

Balance sheet

Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

Gains or losses are calculated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating expenses.

Investments in subsidiaries and associates

Equity investments in subsidiaries and associates are measured according to the equity method.

On initial recognition, equity investments in subsidiaries and associates are measured at cost, i.e. plus transaction costs. The cost is allocated in accordance with the acquisition method; see the accounting policies regarding business combinations.

The cost is adjusted by shares of profit/loss after tax calculated in accordance with the Group's accounting policies less or plus unrealised intra-group gains/losses.

Identified increases in value and goodwill, if any, compared to the underlying entity's net asset value are amortised in accordance with the accounting policies for the assets and liabilities to which they can be attributed. Negative goodwill is recognised in the income statement.

Dividend received is deduced from the carrying amount.

Equity investments in subsidiaries and associates measured at net asset value are subject to impairment test requirements if there is any indication of impairment.

Gains or losses on disposal of subsidiaries and associates are made up as the difference between the sales price and the carrying amount of net assets at the date of disposal including non-amortised goodwill and anticipated costs of disposal. Gains or losses are recognised in the income statement as financial income or financial expenses.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value. The net realisable value of inventories is calculated as the sales amount less costs of completion and expenses required to effect the sale and is determined taking into account marketability, obsolescence and development in the expected selling price.

Receivables

Receivables are measured at amortised cost.

The Company has chosen IAS 39 as interpretation for impairment of financial receivables.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Receivables in respect of which there is no objective evidence of individual impairment are tested for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the debtors' domicile and credit ratings in line with the Company's risk management policy. The objective evidence applied to portfolios is determined based on historical loss experience.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected 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.

Construction contracts

Service supplies and contract work in progress for third parties are measured at the market value of the work performed less progress billings. The market value is calculated based on the stage of completion at the balance sheet date and the total expected income from the relevant contract. The stage of completion is calculated based on the expenses incurred relative to the expected total expenses relating to the relevant contract.

Where the outcome of contract work in progress cannot be estimated reliably, the market value is measured at the expenses incurred in so far as they are expected to be paid by the purchaser.

Where the total expenses relating to the work in progress are expected to exceed the total market value, the expected loss is recognised as a loss-making agreement under "Provisions" and is expensed in the income statement.

The value of work in progress less progress billings is classified as assets when the selling price exceeds progress billings and as liabilities when progress billings exceed the market value.

Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

Cash

Cash comprise cash and short term securities which are readily convertible into cash and subject only to minor risks of changes in value.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Equity

Proposed dividends

Dividend proposed for the year is recognised as a liability once adopted at the annual general meeting (declaration date). Dividends expected to be distributed for the financial year are presented as a separate item under "Equity".

Provisions

Provisions comprise anticipated expenses relating to warranty commitments, onerous contracts, restructurings, etc. Provisions are recognised when the Company has a legal or constructive obligation at the balance sheet date as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Provisions are measured at net realisable value or at fair value if the obligation is expected to be settled far into the future.

Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

Liabilities

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. On subsequent recognition, financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan. Financial liabilities also include the capitalised residual lease liability in respect of finance leases.

Other liabilities are measured at net realisable value.

Deferred income

Deferred income recognised as a liability comprises payments received concerning income in subsequent financial reporting years.

Financial statements 1 January - 31 December

Notes to the financial statements

	DKK	2018	2017
2	**Staff costs**		
	Wages/salaries	3,530,551	2,939,326
	Pensions	210,107	376,202
	Other social security costs	45,800	42,541
	Other staff costs	169,660	60,516
		3,956,118	3,418,585
	Average number of full-time employees	6	6
3	**Depreciation of property, plant and equipment**		
	Depreciation of property, plant and equipment	78,111	7,700
		78,111	7,700
4	**Financial income**		
	Interest receivable, group entities	70,804	492,068
	Other financial income	23,609	0
		94,413	492,068
5	**Financial expenses**		
	Interest expenses, group entities	166,328	630,475
	Other financial expenses	145,906	153,210
		312,234	783,685
6	**Tax for the year**		
	Estimated tax charge for the year	-3,869,150	0
	Deferred tax adjustments in the year	7,306,766	1,383,423
		3,437,616	1,383,423

7 **Property, plant and equipment**

DKK	Fixtures and fittings, other plant and equipment
Cost at 1 January 2018	38,500
Additions	961,609
Cost at 31 December 2018	1,000,109
Impairment losses and depreciation at 1 January 2018	11,550
Depreciation	78,111
Impairment losses and depreciation at 31 December 2018	89,661
Carrying amount at 31 December 2018	910,448

Financial statements 1 January - 31 December

Notes to the financial statements

8 Investments

DKK	Investments in group enterprises	Investments in associates	Deposits	Total
Cost at 1 January 2018	87,250	0	40,000	127,250
Additions	50,000	150,000	0	200,000
Disposals	0	-150,000	0	-150,000
Cost at 31 December 2018	137,250	0	40,000	177,250
Value adjustments at 1 January 2018	5,812,675	0	0	5,812,675
Profit/loss for the year	4,275,075	0	0	4,275,075
Reversal of prior year impairment losses	-1,206,588	0	0	-1,206,588
Value adjustments at 31 December 2018	8,881,162	0	0	8,881,162
Carrying amount at 31 December 2018	9,018,412	0	40,000	9,058,412

Name	Legal form	Domicile	Interest
Subsidiaries			
EI-Project ApS	ApS	Denmark	100.00%
Energi Ennovation APSW Ibéria Unipessoal Lda.	Lda.	Portugal	100.00%
Energi Innovation UG	UG	Germany	100.00%
ENI Sol Santarem ApS	ApS	Denmark	100.00%

DKK	2018	2017
9 Construction contracts		
Selling price of work performed	101,263,077	13,249,574
Progress billings	-185,879,082	-4,595,529
	-84,616,005	8,654,045
recognised as follows:		
Construction contracts(assets)	2,643,479	8,654,045
Construction contracts(liabilities)	-87,259,484	0
	-84,616,005	8,654,045

Financial statements 1 January - 31 December

Notes to the financial statements

DKK	2018	2017
10 Share capital		
Analysis of the share capital:		
100 A shares of DKK 1,000.00 nominal value each	100,000	100,000
400 B shares of DKK 1,000.00 nominal value each	400,000	400,000
	500,000	500,000

11 Contractual obligations and contingencies, etc.

Contingent liabilities

Other contingent liabilities

The Company is jointly taxed with its parent, Poss Holding ApS, which acts as management company, and is jointly and severally liable with other jointly taxed group entities for payment of income taxes as well as withholding taxes on interest, royalties and dividends falling due for payment.

12 Collateral

An ammount of DKK 508 thousand has been deposited as security for work guarantees provided by the company's bank. The guarantees expires within one year.

PENNEO

Underskrifterne i dette dokument er juridisk bindende. Dokumentet er underskrevet via Penneo™ sikker digital underskrift. Underskrivernes identiteter er blevet registereret, og informationerne er listet herunder.

"Med min underskrift bekræfter jeg indholdet og alle datoer i dette dokument."

Poul Søndermark Svendsen
Direktion
På vegne af: Energi Innovation ApS
Serienummer: PID:9208-2002-2-838276498033
IP: 128.76.xxx.xxx
2019-06-19 16:17:51Z
NEM ID

Poul Søndermark Svendsen
Dirigent
På vegne af: Energi Innovation ApS
Serienummer: PID:9208-2002-2-838276498033
IP: 128.76.xxx.xxx
2019-06-19 16:17:51Z
NEM ID

Jonas Kristiansen
Statsautoriseret revisor
På vegne af: Ernst & Young P/S
Serienummer: CVR:30700228-RID:21401488
IP: 176.23.xxx.xxx
2019-06-19 16:20:09Z
NEM ID

Michael Vakker Maass
Statsautoriseret revisor
På vegne af: ERNST & YOUNG PS
Serienummer: CVR:30700228-RID:1267450132504
IP: 145.62.xxx.xxx
2019-06-19 16:20:36Z
NEM ID

Penneo dokumentnøgle: P11HM-2B83Y-ZZ7VH-DB4XK-O8QCI-U2A88