

# Energi Innovation ApS

H C Andersens Alle 3, 6600 Vejen

CVR no. 30 08 08 74

## Annual report 2019

Approved at the Company's annual general meeting on 5 October 2020

Chairman:

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Poul Søndermark Svendsen



## Contents

<b>Statement by the Executive Board</b>	<b>2</b>
<b>Independent auditor's report</b>	<b>3</b>
<b>Management's review</b>	<b>5</b>
<b>Consolidated financial statements and parent company financial statements 1 January - 31 December</b>	<b>8</b>
Income statement	8
Balance sheet	9
Statement of changes in equity	11
Notes to the financial statements	12

## 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 2019.

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

In my opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Company at 31 December 2019 and of the results of the Group's and the Company's operations for the financial year 1 January - 31 December 2019.

Further, in my opinion, the Management's review gives a fair review of the development in the Group's and the Company's operations and financial matters and the results of the Group's and the Company's operations and financial position.

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

Vandel, 5 October 2020  
Executive Board:

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Poul Søndermark Svendsen

## Independent auditor's report

To the shareholders of Energi Innovation ApS

### Opinion

We have audited the consolidated financial statements and the parent company financial statements of Energi Innovation ApS for the financial year 1 January - 31 December 2019, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies, for the Group and the Parent Company. The consolidated financial statements and the parent company financial statements are prepared in accordance with 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 financial position of the Group and the Parent Company at 31 December 2019, and of the results of the Group's and Parent Company's operations for the financial year 1 January - 31 December 2019 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 consolidated financial statements and the parent Company financial statements" (hereinafter collectively referred to as "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' 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.

### Management's responsibilities for the financial statements

Management is responsible for the preparation of consolidated financial statements and parent company financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control as Management determines is necessary to enable the preparation of 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 in preparing the financial statements 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 can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the 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:

## Independent auditor's report

- ▶ 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.
- ▶ 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 note 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.

### 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 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 Statements Act. We did not identify any material misstatement of the Management's review.

Kolding, 5 October 2020  
EY 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 EY Godkendt Revisionspartnerselskab  
Trindholmsgade 2, 2. sal, 6000 Kolding, Denmark

## Management's review

### Financial highlights for the Group

DKK'000	2019	2018
<b>Key figures</b>		
Gross profit	83,552	27,283
Profit before interest and tax (EBITA)	64,977	20,507
Net financials	-141	-102
<b>Profit for the year</b>	<b>9,365</b>	<b>30,619</b>
Total assets	204,883	250,679
Investment in property, plant and equipment	13,298	5,414
<b>Equity</b>	<b>60,393</b>	<b>56,407</b>
<b>Financial ratios</b>		
Current ratio	195.1%	91.8%
Equity ratio	29.5%	22.5%
Return on equity	16.1%	74.5%
Average number of employees	51	13

Financial ratios are calculated in accordance with the Danish Finance Society's recommendations. For terms and definitions, please see the accounting policies.

## Management's review

### Business review

The Group's core business is EPC contracts and long-term operation and maintenance contracts, with focus on the photovoltaic business within Europe. In addition, the Group is active in trading of electricity in the Iberian Peninsula.

### Financial review

The income statement for 2019 shows a profit of DKK 9,365 thousand against a profit of DKK 30,619 thousand last year, and the group's balance sheet at 31 December 2019 shows equity of DKK 60,393 thousand. Management considers the Company's financial performance in the year satisfactory.

The increase in revenue and gross profit is due to partly finalization of a large project in Portugal, whereas the decrease in the Group's net result is under large influence of the write-down of a company acquisition made in the financial year.

### Special risks

The Group has no special commercial or financial risks beyond normal for the business area, including measuring the work in progress. The cost to complete is based on estimated work to be completed in order to receive preliminary acceptance of the projects.

Credit risk relates only to the current assets.

### Impact on the external environment

It is the ambition of the Group to minimize the impact on climate and environment as much as possible, by investments in technology and machinery with low impact and low emission during operation.

### Foreign branches

The Company has a branch in Portugal operating under the name:

- ▶ Energi Innovation ApS - Sucursal Em Portugal

### Events after the balance sheet date

The Covid-19, and following close-down of especially Portugal, has given delays in the finalization of 4 photovoltaic parks. To ensure liquidity the company has utilized the Danish state's support packages and received a state guarantee via "EKF", for a bank loan.

### Outlook

Management expects that 2020 will be profitable, but at lower lever than 2019. Due to the Covid-19 it is uncertain when the large project will be finalized.

**Consolidated financial statements and parent company financial statements 1 January - 31 December**

**Income statement**

Note	DKK'000	Group		Parent company	
		2019	2018	2019	2018
	<b>Gross profit</b>	83,552	27,283	72,153	19,484
2	Staff costs	-16,757	-6,545	-6,066	-3,956
3	Depreciation of property, plant and equipment	-1,818	-231	-1,329	-78
	<b>Profit before net financials</b>	64,977	20,507	64,758	15,450
	Income from investments in group enterprises	0	14,700	-42,031	18,975
	Income from investments in associates	0	-150	0	-150
4	Financial income	51	98	1,959	94
	Write-down on financial assets	-39,984	0	0	0
5	Financial expenses	-192	-200	-261	-312
	<b>Profit before tax</b>	24,852	34,955	24,425	34,057
6	Tax for the year	-15,487	-4,336	-15,052	-3,438
	<b>Profit for the year</b>	<b>9,365</b>	<b>30,619</b>	<b>9,373</b>	<b>30,619</b>
	Specification of the Group's results of operations:				
	Shareholders in Energi Innovation ApS	9,373	30,619		
	Non-controlling interests	-8	0		
		<b>9,365</b>	<b>30,619</b>		

**Consolidated financial statements and parent company financial statements 1 January - 31 December**

**Balance sheet**

Note	DKK'000	Group		Parent company		
		2019	2018	2019	2018	
<b>ASSETS</b>						
<b>Fixed assets</b>						
7	<b>Intangible assets</b>					
	Goodwill	71,103	71,103	0	0	
		71,103	71,103	0	0	
8	<b>Property, plant and equipment</b>					
	Fixtures and fittings, other plant and equipment	6,591	1,999	4,242	910	
	Property, plant and equipment under construction	10,104	3,216	0	0	
		16,695	5,215	4,242	910	
9	<b>Investments</b>					
	Investments in group enterprises	0	0	8,911	9,018	
	Other securities and investments	6,250	0	6,250	0	
	Other receivables	39	9	0	0	
	Deposits	207	47	40	40	
		6,496	56	15,201	9,058	
	<b>Total fixed assets</b>	94,294	76,374	19,443	9,968	
<b>Non-fixed assets</b>						
<b>Inventories</b>						
	Finished goods and goods for resale	552	0	552	0	
		552	0	552	0	
<b>Receivables</b>						
	Trade receivables	41,348	83,360	39,362	83,165	
10	Construction contracts	19,796	4,873	19,796	2,643	
	Receivables from group enterprises	1,010	4,559	23,700	11,570	
	Other receivables	21,341	34,730	19,995	33,754	
11	Prepayments	958	17,051	63	4,436	
		84,453	144,573	102,916	135,568	
	<b>Cash</b>	25,584	29,732	16,364	24,554	
	<b>Total non-fixed assets</b>	110,589	174,305	119,832	160,122	
	<b>TOTAL ASSETS</b>	204,883	250,679	139,275	170,090	

**Consolidated financial statements and parent company financial statements 1 January - 31 December**
**Balance sheet**

Note	DKK'000	Group		Parent company		
		2019	2018	2019	2018	
<b>EQUITY AND LIABILITIES</b>						
<b>Equity</b>						
12	Share capital	500	500	500	500	
	Net revaluation reserve according to the equity method	0	0	8,435	10,088	
	Retained earnings	59,881	55,907	51,447	45,820	
	<b>Shareholders in Energi Innovation ApS' share of equity</b>	<b>60,381</b>	<b>56,407</b>	<b>60,382</b>	<b>56,408</b>	
	Non-controlling interests	12	0	0	0	
	<b>Total equity</b>	<b>60,393</b>	<b>56,407</b>	<b>60,382</b>	<b>56,408</b>	
<b>Provisions</b>						
	Deferred tax	17,572	4,439	18,069	4,574	
	<b>Total provisions</b>	<b>17,572</b>	<b>4,439</b>	<b>18,069</b>	<b>4,574</b>	
<b>Liabilities other than provisions</b>						
13	<b>Non-current liabilities other than provisions</b>					
	Lease liabilities	1,348	0	1,348	0	
	Other payables	68,898	0	0	0	
		70,246	0	1,348	0	
	<b>Current liabilities other than provisions</b>					
13	Short-term part of long-term liabilities other than provisions	700	0	700	0	
	Bank debt	26	78	25	78	
10	Construction contracts	6,517	87,259	6,517	87,259	
	Trade payables	32,419	11,048	15,504	10,390	
	Payables to group enterprises	2,956	188	27,034	1,026	
	Corporation tax payable	2,208	790	1,325	349	
	Other payables	11,846	90,470	8,371	10,006	
		56,672	189,833	59,476	109,108	
	<b>Total liabilities other than provisions</b>	<b>126,918</b>	<b>189,833</b>	<b>60,824</b>	<b>109,108</b>	
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>204,883</b>	<b>250,679</b>	<b>139,275</b>	<b>170,090</b>	

- 1 Accounting policies
- 14 Contractual obligations and contingencies, etc.
- 15 Collateral
- 16 Related parties
- 17 Appropriation of profit

**Consolidated financial statements and parent company financial statements 1 January - 31 December**

**Statement of changes in equity**

Note DKK'000

Equity at 1 January 2018  
Transfer through appropriation of profit  
**Equity at 1 January 2019**  
Additions by incorporation  
Transfer through appropriation of profit  
Distributed extraordinary dividend  
**Equity at 31 December 2019**

	Group			
	Share capital	Retained earnings	Total	Non-controlling interests
				Total equity
500	25,288	25,788	0	25,788
0	30,619	30,619	0	30,619
500	55,907	56,407	0	56,407
0	0	0	20	20
0	9,373	9,373	-8	9,365
0	-5,399	-5,399	0	-5,399
<b>500</b>	<b>59,881</b>	<b>60,381</b>	<b>12</b>	<b>60,393</b>

Note DKK'000

Equity at 1 January 2018  
17 Transfer, see "Appropriation of profit"  
**Equity at 1 January 2019**  
17 Transfer, see "Appropriation of profit"  
Distributed extraordinary dividend  
**Equity at 31 December 2019**

	Parent company		
	Share capital	Net revaluation reserve according to the equity method	Retained earnings
500	5,813	19,476	25,789
0	4,275	26,344	30,619
500	10,088	45,820	56,408
0	-1,653	11,026	9,373
0	0	-5,399	-5,399
<b>500</b>	<b>8,435</b>	<b>51,447</b>	<b>60,382</b>

## Consolidated financial statements and parent company financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies

The annual report of Energi Innovation ApS for 2019 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to medium-sized reporting class C entities.

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

#### Omission of a cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act, no cash flow statement has been prepared. The Company's cash flows are reflected in the consolidated cash flow statement for the higher-ranking parent company Poss Holding ApS.

#### Reporting currency

The financial statements are presented in Danish kroner (DKK'000).

#### Consolidated financial statements

##### *Control*

The consolidated financial statements comprise the Parent Company and subsidiaries controlled by the Parent Company.

Control means a parent company's power to direct a subsidiary's financial and operating policy decisions. Besides the above power, the parent company should also be able to yield a return from its investment.

In assessing if the parent company controls an entity, de facto control is taken into consideration as well.

The existence of potential voting rights which may currently be exercised or converted into additional voting rights is considered when assessing if an entity can become empowered to direct another entity's financial and operating decisions.

##### *Significant influence*

Entities over whose financial and operating policy decisions the group exercises significant influence are classified as associates. Significant influence is assumed to exist if the Parent Company directly or indirectly holds or controls 20% or more of the voting power of the investee, but does not control the investee.

The existence of potential voting rights which may presently be exercised or be converted into additional voting rights is considered when assessing if significant influence exists.

##### *Preparation of consolidated financial statements*

The consolidated financial statements are prepared as a consolidation of the parent company's and the individual subsidiaries' financial statements, which are prepared according to the group's accounting policies. On consolidation, intra-group income and expenses, shareholdings, intra-group balances and dividends, and realised and unrealised gains on intra-group transactions are eliminated. Unrealised gains on transactions with associates are eliminated in proportion to the group's interest in the entity. Unrealised losses are eliminated in the same way as unrealised gains if they do not reflect impairment.

In the consolidated financial statements, the accounting items of subsidiaries are recognised in full. Non-controlling interests' share of the profit/loss for the year and of the equity of subsidiaries which are not wholly-owned are included in the group's profit/loss and equity, respectively, but are disclosed separately.

Acquisitions and disposals of non-controlling interests which are still controlled are recognised directly in equity as a transaction between shareholders.

## Consolidated financial statements and parent company financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

Investments in associates and joint ventures are recognised in the consolidated financial statements using the equity method.

The group's activities in joint operations are recognised on a line-by-line basis.

#### Non-controlling interests

On initial recognition, non-controlling interests are measured at the fair value of the non-controlling interests' equity interest.

Goodwill relating to the non-controlling interests' share of the acquiree is thus recognised.

#### 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.

## Consolidated financial statements and parent company financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### 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.

###### Gross profit

The items revenue, cost of sales, other operating income 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.

###### Other operating income

Other operating income comprise items of a secondary nature relative to the Company's core activities, including gains on the sale of fixed assets.

###### 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	3-5 years
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## Consolidated financial statements and parent company financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

Depreciation is based on the residual value of the asset and is reduced by impairment losses, if any. The depreciation period and the residual value are determined at the acquisition date and are reassessed annually. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised.

In the case of changes in the depreciation period or the residual value, the effect on the depreciation charges is recognised prospectively as a change in accounting estimates.

#### Profit/loss 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 are presented as separate line items in the income statement. Full elimination of intra-group gains/losses is made for equity investments in subsidiaries.

The proportionate share of the individual subsidiaries' profit/loss after tax after full elimination of internal gains/losses are recognised in the parent company's income statement.

#### 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.

#### 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 Company and its Danish group entities are jointly taxed. 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.

**Consolidated financial statements and parent company financial statements 1 January - 31 December****Notes to the financial statements****1 Accounting policies (continued)****Balance sheet****Intangible assets**

Goodwill recognized as part of the cost of the shares in Escalabis Solar S.A (owned by the subsidiary ENI Sol Santarem ApS) relates to the value of the development and design of a photovoltaic installation. Depreciation of goodwill will commence when the construction of the installation is finalized in 2021.

**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.

**Leases**

The Company has chosen IAS 17 as interpretation for classification and recognition of leases.

On initial recognition, leases for assets that transfer substantially all the risks and rewards incident to the ownership to the Company (finance leases) are measured in the balance sheet at the lower of fair value and the present value of the future lease payments. In calculating the net present value, the interest rate implicit in the lease or the incremental borrowing rate is used as the discount factor. Assets held under finance leases are subsequently accounted for in the same way as the Company's other assets.

The capitalised residual lease liability is recognised in the balance sheet as a liability, and the interest element of the lease payment is recognised in the income statement over the term of the lease.

**Investments in subsidiaries**

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

On initial recognition, equity investments in subsidiaries 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 deducted from the carrying amount.

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

Investments in associates are measured at cost. Dividends received that exceed the accumulated earnings in the associate during the period of ownership are treated as a reduction in the cost of acquisition.

## Consolidated financial statements and parent company financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

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.

#### Other securities and investments

Securities and investments consisting of listed shares and bonds are measured at fair value (market price) at the balance sheet date. Investments not admitted to trading on an active market are measured at cost.

#### 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.

## Consolidated financial statements and parent company financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### 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.

##### Equity

###### *Reserve for net revaluation according to the equity method*

The net revaluation reserve according to the equity method includes net revaluations of investments in subsidiaries. The reserve can be eliminated in case of losses, realisation of investments or a change in accounting estimates. The reserve cannot be recognised at a negative amount.

###### *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.

**Consolidated financial statements and parent company financial statements 1 January - 31 December****Notes to the financial statements****1 Accounting policies (continued)****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.

**Lease liabilities**

Lease liabilities are measured at the net present value of the remaining lease payments including any guaranteed residual value based on the interest rate implicit in the lease.

**Deferred income**

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

**Financial ratios**

The financial ratios stated under "Financial highlights" have been calculated as follows:

Current ratio	$\frac{\text{Current assets} \times 100}{\text{Current liabilities}}$
Equity ratio	$\frac{\text{Equity excl. non-controlling interests, year-end} \times 100}{\text{Total equity and liabilities, year-end}}$
Return on equity	$\frac{\text{Profit/loss excl. non-controlling interests} \times 100}{\text{Average equity excl. non-controlling interests}}$

**Consolidated financial statements and parent company financial statements 1 January - 31 December**
**Notes to the financial statements**

	Group		Parent company	
	2019	2018	2019	2018
<b>DKK'000</b>				
<b>2 Staff costs</b>				
Wages/salaries	13,190	5,471	4,861	3,530
Pensions	1,397	495	729	210
Other social security costs	1,591	378	81	46
Other staff costs	579	201	395	170
	<b>16,757</b>	<b>6,545</b>	<b>6,066</b>	<b>3,956</b>
Average number of full-time employees	51	13	12	6

By reference to section 98b(3), (ii), of the Danish Financial Statements Act, remuneration to the group Management is not disclosed.

	Group		Parent company	
	2019	2018	2019	2018
<b>DKK'000</b>				
<b>3 Depreciation of property, plant and equipment</b>				
Depreciation of property, plant and equipment	1,818	231	1,329	78
	<b>1,818</b>	<b>231</b>	<b>1,329</b>	<b>78</b>
<b>4 Financial income</b>				
Interest receivable, group entities	34	71	1,957	71
Other financial income	17	27	2	23
	<b>51</b>	<b>98</b>	<b>1,959</b>	<b>94</b>
<b>5 Financial expenses</b>				
Interest expenses, group entities	0	25	107	166
Other financial expenses	192	175	154	146
	<b>192</b>	<b>200</b>	<b>261</b>	<b>312</b>
<b>6 Tax for the year</b>				
Estimated tax charge for the year	2,450	-3,431	1,651	-3,869
Deferred tax adjustments in the year	13,037	7,767	13,401	7,307
	<b>15,487</b>	<b>4,336</b>	<b>15,052</b>	<b>3,438</b>

**Consolidated financial statements and parent company financial statements 1 January - 31 December**
**Notes to the financial statements**
**7 Intangible assets**

	Group
DKK'000	Goodwill
Cost at 1 January 2019	71,103
Cost at 31 December 2019	71,103
<b>Carrying amount at 31 December 2019</b>	<b>71,103</b>

Goodwill recognized as part of the cost of the shares in Escalabis Solar S.A (owned by the subsidiary ENI Sol Santarem ApS) relates to the value of the development and design of a photovoltaic installation. Depreciation of goodwill will commence when the construction of the installation is finalized in 2021.

**8 Property, plant and equipment**

	Group
DKK'000	
Cost at 1 January 2019	Fixtures and fittings, other plant and equipment
Additions	Property, plant and equipment under construction
Cost at 31 December 2019	Total
	2,241
	6,410
	8,651
	3,216
	6,888
	10,104
	5,457
	13,298
	18,755
Impairment losses and depreciation at 1 January 2019	242
Depreciation	0
Impairment losses and depreciation at 31 December 2019	1,818
	0
	2,060
<b>Carrying amount at 31 December 2019</b>	<b>6,591</b>
	10,104
	16,695
Property, plant and equipment include finance leases with a carrying amount totalling	2,427
	0
	2,427
DKK'000	
Cost at 1 January 2019	Parent company
Additions	Fixtures and fittings, other plant and equipment
Cost at 31 December 2019	1,000
Revaluations at 1 January 2019	4,661
Revaluations at 31 December 2019	5,661
Impairment losses and depreciation at 1 January 2019	0
Depreciation	0
Impairment losses and depreciation at 31 December 2019	90
	1,329
	1,419
<b>Carrying amount at 31 December 2019</b>	<b>4,242</b>
Property, plant and equipment include finance leases with a carrying amount totalling	2,427

## Consolidated financial statements and parent company financial statements 1 January - 31 December

### Notes to the financial statements

#### 9 Investments

DKK'000	Group			
	Other securities and investments	Other receivables	Deposits	Total
Cost at 1 January 2019	0	9	47	56
Additions	46,234	30	160	46,424
Cost at 31 December 2019	46,234	39	207	46,480
Impairment losses	-39,984	0	0	-39,984
Value adjustments at 31 December 2019	-39,984	0	0	-39,984
Carrying amount at 31 December 2019	6,250	39	207	6,496

  

DKK'000	Parent company			
	Investments in group enterprises	Other securities and investments	Deposits	Total
Cost at 1 January 2019	137	0	40	177
Additions	340	6,250	0	6,590
Cost at 31 December 2019	477	6,250	40	6,767
Value adjustments at 1 January 2019	8,881	0	0	8,881
Profit/loss for the year	-42,031	0	0	-42,031
Transferred	41,584	0	0	41,584
Value adjustments at 31 December 2019	8,434	0	0	8,434
Carrying amount at 31 December 2019	8,911	6,250	40	15,201

#### Parent company

##### Subsidiaries

Energi Innovation UG	Germany	100.00%
ENI Asia Trading ApS	Denmark	100.00%
- ENI Asia Trading Ltd.	Hong Kong	100.00%
Green-2-Market Holding ApS	Denmark	100.00%
- PH Energia Lda	Portugal	75.50%
-- Simples Energia de Espania SL	Spain	74.25%
-- Painel de Harmonia, S.A	Portugal	32.85%
-- Muon Electric, Lda	Portugal	22.50%
ENI Construction ApS	Denmark	100.00%
- ENI PT Construction Lda	Portugal	100.00%
EI-Project ApS	Denmark	100.00%
ENI Sol Santarem ApS	Denmark	100.00%
- Escalabis Solar, S.A	Portugal	100.00%
ENI O&M ApS	Denmark	100.00%
Energi Innovation APSW Iberia Uni Lda	Portugal	100.00%
ENI PT 01 ApS	Denmark	100.00%
ENI PT 02 ApS	Denmark	100.00%
ENI PT 03 ApS	Denmark	100.00%
ETOS-Solar Systems ApS	Denmark	51.00%



## **Consolidated financial statements and parent company financial statements 1 January - 31 December**

## **Notes to the financial statements**

## 9 Investments (continued)

By reference to section 114 of the Danish Financial Statements Act management has decided not to consolidate PH Energia Lda, Simples Energia de Espania SL, Painel de Harmonia S.A. and Muon Electric Lda in the consolidated financial statements.

PH Energia Lda is acquired during the year and management expects that the Company including subsidiaries will be sold within the next 12 months.

#### **Other investments in limited partnerships or partnerships**

Wattsup Power A/S A/S Denmark

	Group		Parent company	
	2019	2018	2019	2018
DKK'000				
<b>10 Construction contracts</b>				
Selling price of work performed	386,848	103,493	386,848	101,263
Progress billings	-373,569	-185,879	-373,569	-185,879
	<b>13,279</b>	<b>-82,386</b>	<b>13,279</b>	<b>-84,616</b>
recognised as follows:				
Construction contracts(assets)	19,796	4,873	19,796	2,643
Construction contracts(liabilities)	-6,517	-87,259	-6,517	-87,259
	<b>13,279</b>	<b>-82,386</b>	<b>13,279</b>	<b>-84,616</b>

## 11 Prepayments

Prepayments include accrual of expenses relating to subsequent financial years.

	Parent company	
DKK'000	2019	2018
<b>12 Share capital</b>		
Analysis of the share capital:		
100 A shares of DKK 1,000.00 nominal value each	100	100
400 B shares of DKK 1,000.00 nominal value each	400	400
	500	500

**Consolidated financial statements and parent company financial statements 1 January - 31 December**
**Notes to the financial statements**
**13 Non-current liabilities other than provisions**

DKK'000	Group			
	Total debt at 31/12 2019	Repayment, next year	Long-term portion	Outstanding debt after 5 years
Lease liabilities	2,048	700	1,348	0
Other payables	68,898	0	68,898	0
	<b>70,946</b>	<b>700</b>	<b>70,246</b>	<b>0</b>

Long term other payables relates to capitalized milestone payments regarding the acquisition of the shares in Excalabis Solar S.A.

DKK'000	Parent company			
	Total debt at 31/12 2019	Repayment, next year	Long-term portion	Outstanding debt after 5 years
Lease liabilities	2,048	700	1,348	0
	<b>2,048</b>	<b>700</b>	<b>1,348</b>	<b>0</b>

**14 Contractual obligations and contingencies, etc.**
**Other financial obligations**

Other rent and lease liabilities:

Rent and lease liabilities	<b>62</b>	<b>61</b>	<b>62</b>	<b>61</b>
----------------------------	-----------	-----------	-----------	-----------

**Parent company**

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 and withholding taxes on interest, royalties and dividends falling due for payment.

**15 Collateral**
**Group**

The group has not provided any security or other collateral in assets at 31 December 2019.

**Parent company**

The parent Company has not provided any security or other collateral in assets at 31 December 2019

**Consolidated financial statements and parent company financial statements 1 January - 31 December**

**Notes to the financial statements**

**16 Related parties**

**Parent company**

Energi Innovation ApS' related parties comprise the following:

**Parties exercising control**

Related party	Domicile	Basis for control
Poss Holding ApS	H C Andersens Alle 1-3, 6600 Vejen	Controlling interest

**Information about consolidated financial statements**

Parent	Domicile	Requisitioning of the parent company's consolidated financial statements
Poss Holding ApS	Denmark	CVR

**Transactions with related parties**

The Company solely discloses related party transactions that have not been carried out on an arm's length basis, cf. section 98c(7) of the Danish Financial Statements Act.

All transactions have been carried out on an arm's length basis.

DKK'000	<b>Parent company</b>	
	<b>2019</b>	<b>2018</b>
<b>17 Appropriation of profit</b>		
<b>Recommended appropriation of profit</b>		
Extraordinary dividend distributed in the year	5,399	0
Net revaluation reserve according to the equity method	-1,653	4,275
Retained earnings	5,627	26,344
	<b>9,373</b>	<b>30,619</b>

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## Poul Søndermark Svendsen

Direktion

På vegne af: Energi Innovation ApS

Serienummer: PID:9208-2002-2-838276498033

IP: 95.154.xxx.xxx

2020-10-05 06:13:24Z

NEM ID 

## Poul Søndermark Svendsen

Dirigent

På vegne af: Energi Innovation ApS

Serienummer: PID:9208-2002-2-838276498033

IP: 95.154.xxx.xxx

2020-10-05 06:13:24Z

NEM ID 

## Jonas Kristiansen

Statsautoriseret revisor

På vegne af: EY Godkendt Revisionspartnerselskab

Serienummer: CVR:30700228-RID:21401488

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## Michael Vakker Maass

Statsautoriseret revisor

På vegne af: EY Godkendt Revisionspartnerselskab

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