

Envision Energy (Denmark) ApS

Randersvej 2a, DK-8600 Silkeborg

CVR no. 31 49 25 21

Annual report

for the year 1 January - 31 December 2018

Approved at the Company's annual general meeting on 24 May 2019

Chairman:


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Statement by the Executive Board

Today, the Executive Board has discussed and approved the annual report of Envision Energy (Denmark) 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 and cash flows for the financial year 1 January - 31 December 2018.

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

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

Silkeborg, 24 May 2019
Executive Board:

Lei Zhang
CEO

Independent auditor's report

To the shareholders of Envision Energy (Denmark) ApS

Opinion

We have audited the financial statements of Envision Energy (Denmark) ApS for the financial year 1 January - 31 December 2018, which comprise income statement, balance sheet, statement of changes in equity, cash flow statement and notes, including accounting policies. The financial statements are 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 of the Company at 31 December 2018 and of the results of the Company's operations as well as the cash flows for the financial year 1 January - 31 December 2018 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We 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 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.

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 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 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 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:

- ▶ 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 Company's internal control.

Independent auditor's report

- ▶ 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 note 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 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 Statement Act. We did not identify any material misstatement of the Management's review.

Aarhus, 24 May 2019

ERNST & YOUNG

Godkendt Revisionspartnerselskab

CVR no. 30 70 02 28



Jens Weiersøe Jakobsen
State Authorised Public Accountant
mne30152



Kim R. Mortensen
State Authorised Public Accountant
mne18513



Management's review

Company details

Name	Envision Energy (Denmark) ApS
Address, Postal code, City	Randersvej 2a, DK-8600 Silkeborg
CVR no.	31 49 25 21
Established	17 June 2008
Registered office	Silkeborg
Financial year	1 January - 31 December
Website	www.envisioncn.com
Telephone	+45 72 44 44 39
Executive Board	Lei Zhang, CEO
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Værkmestergade 25, P.O. Box 330, 8100 Aarhus C, Denmark

Management's review

Financial highlights

DKKt	2018	2017	2016	2015	2014
Key figures					
Revenue	142,397	115,463	155,115	100,442	82,765
Gross margin	81,716	58,972	77,787	65,410	62,064
Operating profit/loss	10,299	9,742	7,758	4,645	5,589
Net financials	1,071	-4,504	-652	1,986	2,516
Profit/loss for the year	8,854	4,057	5,642	4,948	6,073
Balance sheet					
Fixed assets	34,760	53,625	59,727	76,579	82,663
Non-fixed assets	57,176	29,714	31,879	53,712	65,308
Total assets	91,936	83,339	91,606	130,291	147,971
Investment in property, plant and equipment	-5,554	-2,193	-649	-21,215	0
Share capital	125	125	125	125	125
Equity	44,183	35,329	31,272	25,630	20,681
Current liabilities other than provisions	40,789	46,126	57,792	100,213	123,662
Financial ratios					
Operating margin	7.2%	8.4%	5.0%	4.6%	6.8%
Gross margin	57.4%	51.1%	50.1%	65.1%	75.0%
Equity ratio	48.1%	42.4%	34.1%	19.7%	14.0%
Other metrics					
Average number of employees	45	42	35	30	31

The financial ratios stated in the survey of financial highlights have been calculated as follows:

Operating margin	$\frac{\text{Operating profit (EBIT)} \times 100}{\text{Revenue}}$
Gross margin ratio	$\frac{\text{Gross margin} \times 100}{\text{Revenue}}$
Equity ratio	$\frac{\text{Equity, year-end} \times 100}{\text{Total equity and liabilities, year-end}}$

Management's review

Business review

Envision Energy (Denmark) ApS has been established in order to accommodate Envision's Global Innovation Centre, where experienced development engineers with a background from the wind industry are to focus on innovation, technology and product development.

The GIC played a significant role in supporting the Chinese organisation with product development of wind turbines for the Chinese market.

In 2018 the GIC continued to operate the EN 128/3.6 Technology Demonstrator in Thyborøn, Denmark and the EN-120 3.0 Prototype in the National Test Centre, Østerild, Denmark.

A continued focus was kept on analysing and testing of innovative technologies, whereof some of these has been filled as patent applications on behalf of the affiliated company in China.

The GIC was as well supporting the Chinese affiliate during VIP visits from local Chinese governmental officials and companies within the renewable energy sector.

The GIC continued in the role as coordinator in the Horizon 2020 funded project "Ecoswing", which aims at demonstrating the world's first superconductive, low cost and light-weight wind turbine drive-train demonstrated on a large-scale wind turbine.

Financial review

The profit for the year is 8,854 thousand DKK (2017: 4,057 thousand) and is in line with the expectations. The equity at 31 December 2018 totals 44,183 thousand (2017: 35,329 thousand).

Management considers the Company's financial performance in the year satisfactory.

Knowledge resources

Envision is aiming to stay in a leading position in the renewable energy sector, and as such the management is constantly looking to recruit key players and talents from the wind industry.

Events after the balance sheet date

No significant events have occurred subsequent to the financial year.

Outlook

The total investment in Envision Energy (Denmark) ApS is expected to represent 120 million DKK in 2019, which is an increase from 2018. The management also expects an increase in the revenue due to higher activity level. The result for 2019 is expected to be in line with 2018.

Management does not foresee a significant change in the number of employees in 2019.



Financial statements 1 January - 31 December

Income statement

Note	DKK	2018	2017
	Revenue	142,396,827	115,463,061
	Cost of sales	-3,635,235	0
3	Other operating income	8,725,492	10,951,948
	Other external expenses	-65,770,697	-67,442,602
	Gross margin	81,716,387	58,972,407
4	Staff costs	-52,985,771	-39,032,692
	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	-18,164,228	-10,187,954
	Other operating expenses	-267,863	-9,661
	Profit before net financials	10,298,525	9,742,100
5	Financial income	1,214,095	434,812
6	Financial expenses	-142,692	-4,938,684
	Profit before tax	11,369,928	5,238,228
7	Tax for the year	-2,515,626	-1,181,192
	Profit for the year	8,854,302	4,057,036



Financial statements 1 January - 31 December

Balance sheet

Note	DKK	2018	2017
	ASSETS		
	Fixed assets		
8	Intangible assets		
	Acquired intangible assets	1,114,060	2,056,338
		<u>1,114,060</u>	<u>2,056,338</u>
9	Property, plant and equipment		
	Wind turbine for testing purposes	16,430,625	31,688,999
	Other fixtures and fittings, tools and equipment	2,434,129	1,506,461
	Leasehold improvements	3,626,289	1,125,907
		<u>22,491,043</u>	<u>34,321,367</u>
10	Investments		
	Receivables from group entities	6,311,485	12,132,872
	Other receivables	4,843,556	5,114,226
		<u>11,155,041</u>	<u>17,247,098</u>
	Total fixed assets	<u>34,760,144</u>	<u>53,624,803</u>
	Non-fixed assets		
	Inventories		
	Finished goods and goods for resale	1,230,000	0
		<u>1,230,000</u>	<u>0</u>
	Receivables		
	Receivables from group entities	41,178,481	16,607,346
13	Deferred tax assets	2,688,900	0
	Other receivables	3,283,521	3,641,072
11	Prepayments	759,403	938,246
		<u>47,910,305</u>	<u>21,186,664</u>
	Cash	<u>8,035,465</u>	<u>8,527,731</u>
	Total non-fixed assets	<u>57,175,770</u>	<u>29,714,395</u>
	TOTAL ASSETS	<u>91,935,914</u>	<u>83,339,198</u>

Financial statements 1 January - 31 December

Balance sheet

Note	DKK	2018	2017
	EQUITY AND LIABILITIES		
	Equity		
12	Share capital	125,000	125,000
	Retained earnings	44,058,030	35,203,728
	Total equity	<u>44,183,030</u>	<u>35,328,728</u>
	Provisions		
13	Deferred tax	0	1,479,800
14	Other provisions	6,600,000	405,000
	Total provisions	<u>6,600,000</u>	<u>1,884,800</u>
	Liabilities other than provisions		
15	Non-current liabilities other than provisions		
	Other liabilities	363,647	0
		<u>363,647</u>	<u>0</u>
	Current liabilities other than provisions		
	Trade payables	3,246,112	4,669,306
	Income taxes payable	5,688,326	1,276,892
	Other payables	15,309,174	7,790,473
16	Deferred income	16,545,625	32,388,999
		<u>40,789,237</u>	<u>46,125,670</u>
	Total liabilities other than provisions	<u>41,152,884</u>	<u>46,125,670</u>
	TOTAL EQUITY AND LIABILITIES	<u>91,935,914</u>	<u>83,339,198</u>

- 1 Accounting policies
- 2 Special items
- 17 Contractual obligations and contingencies, etc.
- 18 Related parties



Financial statements 1 January - 31 December

Statement of changes in equity

Note	DKK	Share capital	Retained earnings	Total
	Equity at 1 January 2017	125,000	31,146,692	31,271,692
19	Transfer, see "Appropriation of profit"	0	4,057,036	4,057,036
	Equity at 1 January 2018	125,000	35,203,728	35,328,728
19	Transfer, see "Appropriation of profit"	0	8,854,302	8,854,302
	Equity at 31 December 2018	125,000	44,058,030	44,183,030

Financial statements 1 January - 31 December

Cash flow statement

Note	DKK	2018	2017
	Profit for the year	8,854,302	4,057,036
20	Adjustments	26,071,314	15,882,680
	Cash generated from operations (operating activities)	34,925,616	19,939,716
21	Changes in working capital	-35,012,608	-5,007,986
	Cash generated from operations (operating activities)	-86,992	14,931,730
	Interest received, etc.	1,214,095	434,812
	Interest paid, etc.	-142,692	-4,938,684
	Income taxes paid	-2,272,892	-3,915,682
	Cash flows from operating activities	-1,288,481	6,512,176
	Additions of intangible assets	-105,684	-1,717,427
	Additions of property, plant and equipment	-5,553,805	-2,192,742
	Additions of financial assets	0	-1,417,790
	Disposals of financial assets	270,670	0
	Repayments received, loans	5,821,387	0
	Cash flows to investing activities	432,568	-5,327,959
	Other liabilities	363,647	0
	Cash flows from financing activities	363,647	0
	Net cash flow	-492,266	1,184,217
	Cash and cash equivalents at 1 January	8,527,731	7,343,514
22	Cash and cash equivalents at 31 December	8,035,465	8,527,731

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Envision Energy (Denmark) ApS for 2018 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.

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.

Income statement

Revenue

Income from sale comprises invoicing of development costs and delivery of windturbines to group companies and is recognised in the income statement provided that the time of delivery and transfer of risk have taken place before year end, and that the income can be reliably measured and is expected to be received.

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.

Other operating income and operating expenses

Other operating income comprises items of a secondary nature relative to the entity's core activities, including gains or losses on the sale of non-current assets, income from the sale of electricity from wind turbines for test purposes, public grants for the development of technology, etc.

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 entity's core activities, including expenses relating to advertising, administration, premises, operating leases, IT costs, 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.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Amortisation/depreciation and impairment

The item comprises amortisation/depreciation and impairment of intangible assets and property, plant and equipment.

Financial income and expenses

Financial income and expenses are recognised in the income statement 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.

Balance sheet

Intangible assets

Acquired intangible assets mainly comprise of software which is measured at cost less accumulated amortisation and impairment losses. Software is amortised on a straight-line basis over the expected useful lives, corresponding to three years.

Development costs and internally developed rights are recognised in the income statement as cost in the year of acquisition.

Gains or losses on the sale of intangible assets are recognised in the income statement under 'Other operating income' or 'Other operating expenses', respectively. Gains and losses are calculated by reference to the difference between the selling price less selling expenses and the carrying amount at the time of sale.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Property, plant and equipment

Property, plant and equipment in the course of construction and prepayments are measured at cost. Assets are depreciated at the date of use.

Fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and any cost directly attributable to the acquisition until the date when the asset is available for use. The cost of own-produced assets comprises direct cost of material, components and subsuppliers

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.

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

Fixtures and fittings, tools and equipment: 3-5 years
Wind turbine for testing purposes is depreciated up to and including 2020.

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.

Impairment of fixed assets

Every year, intangible assets and property, plant and equipment are reviewed for impairment. Where there is indication of impairment, an impairment test is made for each individual asset or group of assets, respectively, generating independent cash flows. The assets are written down to the higher of the value in use and the net selling price of the asset or group of assets (recoverable amount) if it is lower than the carrying amount. Where an impairment loss is recognised on a group of assets, the loss is allocated to the non-current assets on a pro rata basis.

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 less write-down for expected losses on bad debts based on an individual assessment. Write-downs are made to the lower of the net realisable value and the carrying amount.

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 comprises cash balances and bank balances.

Corporation tax

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 using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities. 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 measured at net realisable value.

Deferred income

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

Cash flow statement

The cash flow statement shows the Company's net cash flows broken down according to operating, investing and financing activities, the year's changes in cash and cash equivalents as well as the cash and cash equivalents at the beginning and the end of the year.

Cash flows from operating activities are calculated as the profit/loss for the year adjusted for non cash operating items, changes in working capital and paid corporate income tax.

Cash flows from investing activities comprise payments in connection with acquisitions and disposals of intangible assets, property, plant and equipment and investments.

Cash flows from financing activities comprise changes in the size or composition of the Company's share capital and related expenses as well as raising of loans, repayment of interest bearing debt and payment of dividends to shareholders.

Cash comprise cash in hand and bank deposits.

Financial statements 1 January - 31 December

Notes to the financial statements

2 Special items

Special items for the year are specified below just as are the items under which they are recognised in the income statement.

DKK	2018	2017
Income		
Gain on lease incentives regarding rented premises	1,933,550	0
	<u>1,933,550</u>	<u>0</u>
Special items are recognised in the below items of the financial statements		
Other operating income	1,933,550	0
Net profit on special items	<u>1,933,550</u>	<u>0</u>

3 Other operating income

Other operating income includes income from sales of electricity and other income not related to the primary income.

4 Staff costs

Wages/salaries	50,604,334	36,773,200
Pensions	2,039,681	1,969,481
Other social security costs	341,756	290,011
	<u>52,985,771</u>	<u>39,032,692</u>
 Average number of full-time employees	 <u>45</u>	 <u>42</u>

The Company did not pay any remuneration to Management during the financial year.

5 Financial income

Interest receivable, group entities	128,739	368,806
Other interest income	160,420	66,006
Exchange gain	924,936	0
	<u>1,214,095</u>	<u>434,812</u>

6 Financial expenses

Other interest expenses	142,692	217,012
Exchange losses	0	4,721,672
	<u>142,692</u>	<u>4,938,684</u>

Financial statements 1 January - 31 December

Notes to the financial statements

DKK	2018	2017
7 Tax for the year		
Estimated tax charge for the year	6,684,326	1,838,892
Deferred tax adjustments in the year	-4,168,700	-657,700
	<u>2,515,626</u>	<u>1,181,192</u>

On account tax payments totalled DKK 996,000 for 2018 and payment of DKK 1,276,892 for 2017.

8 Intangible assets

DKK	Acquired intangible assets
Cost at 1 January 2018	5,845,487
Additions in the year	105,684
Cost at 31 December 2018	<u>5,951,171</u>
Impairment losses and amortisation at 1 January 2018	3,789,149
Amortisation in the year	1,047,962
Impairment losses and amortisation at 31 December 2018	<u>4,837,111</u>
Carrying amount at 31 December 2018	<u>1,114,060</u>

9 Property, plant and equipment

DKK	Wind turbine for testing purposes	Other fixtures and fittings, tools and equipment	Leasehold improvements	Total
Cost at 1 January 2018	146,368,623	5,783,390	1,605,847	153,757,860
Additions in the year	0	2,312,757	3,241,048	5,553,805
Disposals in the year	0	-1,414,845	-461,552	-1,876,397
Cost at 31 December 2018	<u>146,368,623</u>	<u>6,681,302</u>	<u>4,385,343</u>	<u>157,435,268</u>
Impairment losses and depreciation at 1 January 2018	114,679,624	4,276,929	479,940	119,436,493
Impairment losses in the year	6,750,000	0	0	6,750,000
Depreciation in the year	8,508,374	1,117,226	740,666	10,366,266
Reversal of depreciation of disposals	0	-1,146,982	-461,552	-1,608,534
Impairment losses and depreciation at 31 December 2018	<u>129,937,998</u>	<u>4,247,173</u>	<u>759,054</u>	<u>134,944,225</u>
Carrying amount at 31 December 2018	<u>16,430,625</u>	<u>2,434,129</u>	<u>3,626,289</u>	<u>22,491,043</u>

Financial statements 1 January - 31 December

Notes to the financial statements

10 Investments

DKK	Receivables from group entities	Other receivables	Total
Cost at 1 January 2018	12,132,872	5,114,226	17,247,098
Disposals in the year	-5,821,387	-270,670	-6,092,057
Cost at 31 December 2018	6,311,485	4,843,556	11,155,041
Carrying amount at 31 December 2018	6,311,485	4,843,556	11,155,041

11 Prepayments

Prepayments under assets mainly comprise accrual of expenses relating to subsequent financial years, including insurance policies, DKK 130 thousand, software licenses, DKK 482 thousand and other prepaid expenses, DKK 147 thousand.

12 Share capital

The Company's share capital comprises 1,250 shares of DKK 100 each.

The Company's share capital has remained DKK 125,000 over the past 5 years.

DKK	2018	2017
13 Deferred tax		
Deferred tax at 1 January	1,479,800	2,137,500
Deferred tax adjustments in the year	-4,168,700	-657,700
Deferred tax at 31 December	-2,688,900	1,479,800
Deferred tax relates to:		
Intangible assets	245,100	452,394
Property, plant and equipment	-1,482,000	1,116,506
Provisions	-1,452,000	-89,100
	-2,688,900	1,479,800

14 Other provisions

Provisions include costs for wind turbines for testing purposes and these are expected to fall due within 1-5 years.

15 Non-current liabilities other than provisions

DKK	Total debt at 31/12 2018	Repayment, next year	Long-term portion	Outstanding debt after 5 years
Other liabilities	363,647	0	363,647	363,647
	363,647	0	363,647	363,647

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16 Deferred income

Deferred income comprises payments relating to development costs for wind turbines for testing purposes, which will not be recognised as income until in the subsequent financial years once the recognition criteria are satisfied.

17 Contractual obligations and contingencies, etc.

Other contingent liabilities

Other financial obligations

Rent and lease liabilities (operating leases) total DKK 36,931 thousand (2017: 42,668 thousand) of which DKK 8,174 thousand (2017: 8,332 thousand) falls due within a year.

18 Related parties

Envision Energy (Denmark) ApS' related parties comprise the following:

Parties exercising control

Related party	Domicile	Basis for control
Envision Energy International Limited	Hong Kong	Owner

Information about consolidated financial statements

Parent	Domicile
Envision Energy International Limited	Hong Kong

Related party transactions

In 2018, Envision Energy (Denmark) ApS had the following related party transactions:

- ▶ Revenue, 142,397 thousand
- ▶ Financial income, 129 thousand
- ▶ Receivables group entities, 47,490 thousand

DKK	2018	2017
19 Appropriation of profit		
Recommended appropriation of profit		
Retained earnings	8,854,302	4,057,036
	<u>8,854,302</u>	<u>4,057,036</u>

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Notes to the financial statements

DKK	2018	2017
20 Adjustments		
Intangible - Amortisation/depreciation and impairment losses	1,047,962	874,944
Amortisation/depreciation and impairment losses	17,116,266	9,313,011
Gain/loss on the sale of non-current assets	267,863	9,661
Provisions	6,195,000	0
Financial income	-1,214,095	-434,812
Financial expenses	142,692	4,938,684
Tax for the year	2,515,626	1,181,192
	26,071,314	15,882,680
21 Changes in working capital		
Change in inventories	-1,230,000	0
Change in receivables	-24,034,741	4,581,329
Change in trade and other payables	-9,747,867	-9,589,315
	-35,012,608	-5,007,986
22 Cash and cash equivalents at year-end		
Cash according to the balance sheet	8,035,465	8,527,731
	8,035,465	8,527,731