

# **Lyngby Kraftvarmeværk A/S**

Jægergårdsgade 97,

8000 Aarhus C

CVR No. 34071977

## **Annual Report 2021**

10. financial year

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 3 May 2022

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Jakob Søj Bendixen  
Chairman

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## **Management's Statement**

Today, Management has considered and adopted the Annual Report of Lyngby Kraftvarmeværk A/S for the financial year 1 January 2021 - 31 December 2021.

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

In our opinion, the Financial Statements give a true and fair view of the assets, liabilities and financial position of the Company at 31 December 2021 and of the results of the Company's operations for the financial year 1 January 2021 - 31 December 2021.

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

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

Aarhus, 3 May 2022

### **Executive Board**

Jakob Søj Bendixen  
Man. Director

### **Supervisory Board**

Morten Holst Aaen  
Chairman

Jakob Søj Bendixen  
Member

Søren Lykke-Andersen  
Member

## Independent Auditor's Report

To the shareholders of Lyngby Kraftvarmeværk A/S

### Opinion

We have audited the financial statements of Lyngby Kraftvarmeværk A/S for the financial year 1 January 2021 - 31 December 2021, which comprise an income statement, balance sheet, statement of changes in equity and notes. 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 Company's financial position at 31 December 2021 and of the results of its operations for the financial year 1 January 2021 - 31 December 2021 in accordance with the Danish Financial Statements Act.

### Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Statement on Management's Review

Management is responsible for Management's Review.

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

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

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

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

### 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 about 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

## Independent Auditor's Report

aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism 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.
- \* Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- \* Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- \* Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Søborg, 3 May 2022

**BEIERHOLM**  
**STATSAUTORISERET REVISIONSPARTNERSELSKAB**  
CVR-no. 32895468

Jan Stender  
State Authorised Public Accountant  
mne34090

## Lyngby Kraftvarmeværk A/S

### Company details

|                          |   |
|--------------------------|---|
| <b>Company</b>           | Lyngby Kraftvarmeværk A/S<br>Jægergårdsgade 97,<br>8000 Aarhus C  |
| Telephone                | 31148408  |
| email                    | jbe@dtukvv.dk   |
| CVR No.                  | 34071977  |
| Date of formation        | 29 November 2011  |
| Registered office        | Aarhus  |
| <b>Supervisory Board</b> | Morten Holst Aaen<br>Jakob Sø Bendixen<br>Søren Lykke-Andersen  |
| <b>Executive Board</b>   | Jakob Sø Bendixen, Man. Director  |
| <b>Auditors</b>          | BEIERHOLM<br>STATSAUTORISERET REVISIONSPARTNERSELSKAB<br>Knud Højgaards Vej 9<br>2860 Søborg<br>CVR-no.: 32895468 |

## Management's Review

### **The Company's principal activities**

The company's principal activity is within sale of energy and related products. It is primarily sale of heating to Copenhagen's district heating grid. Furthermore electricity and ancillary services are sold to the liberalised electricity market.

### **Exceptional circumstances**

While Covid-19 affected many people and companies, Lyngby Kraftvarmeværk saw no significant impact on its business.

### **Development in activities and financial matters**

The Company's Income Statement of the financial year 1 January 2021 - 31 December 2021 shows a result of DKK 8.360.700 and the Balance Sheet at 31 December 2021 a balance sheet total of DKK 23.134.417 and an equity of DKK 10.686.757.

### **Post financial year events**

After the end of the financial year, no events have occurred which may change the financial position of the entity substantially.

## **Accounting Policies**

### **Reporting Class**

The Annual Report of Lyngby Kraftvarmeværk A/S for 2021 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B, with the adoption of individual rules from class C.

The accounting policies applied remain unchanged from last year.

### **Reporting currency**

The Annual Report is presented in Danish kroner.

### **Translation policies**

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

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

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

### **Derivative financial instruments**

Derivative financial instruments are measured at cost and subsequently at fair value at initial recognition in the Balance Sheet. Positive and negative fair values of derivative financial instruments are included in other receivables and other payables, respectively.

Changes in the fair value of derivative financial instruments classified as and fulfilling the criteria for hedging the fair value of a recognised asset or liability are recognised in the Income Statement together with any changes in the fair value of the hedged asset or liability.

Changes in the fair value of derivative financial instruments classified as and fulfilling the conditions for hedging future assets and liabilities are recognised directly in equity. When transaction that was being hedged is realised, the accumulated gain or loss is recognised as part of cost of the relevant items.

For derivative financial instruments that do not fulfil the conditions for treatment as hedging instruments, changes in the fair value will continually be recognised in the Income Statement.



## Accounting Policies

### General Information

The financial statement have been prepared under the historical cost princip.

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

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

Liabilities are recognised in the Balance Sheet when it is probable that future economic benefits attributable to the asset will flow out of the Company, and the value of the liability can be measured reliably.

At initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

### Income Statement

#### Gross profit/loss

The Company has decided to aggregate certain items of the Income Statement in accordance with the provisions of Section 32 of the Danish Financial Statements Act.

Gross profit is a combination of the items of revenue, cost of raw materials and consumables, other operating income and other external expenses.

#### Revenue

Revenue comprises charges regarding deliveries during the year of heat and electricity and adjustments carried forward for settlement in the next year, and government-subsidized basic amounts.

Income from deliveries made during the year is calculated based on meter readings.

Revenue is recognised exclusive of VAT and net of discounts relating to sales.

#### Other operating income

Other operating income comprises items of a secondary nature to the activities of the enterprises, including profits on sale of intangible and tangible assets.

#### Raw materials and consumables used

Expenses for raw materials and consumables comprise expenses incurred to achieve revenue for the year, including expenses for operation and maintenance of electric power stations and the consumption of material used to achieve revenue for the year.

Furthermore, the accounting item comprises maintenance of productions plants.

#### Other external expenses

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

## Accounting Policies

### Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses other than production wages.

Other staff expenses are recognised in other external expenses.

### Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise 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 based on the amounts that concern the financial year. Financial income and expenses include interest revenue and expenses, finance charges in respect of finance leases, realised capital gains and losses regarding accounts payable and transactions in foreign currencies, repayment on mortgage loans.

### Tax on net profit for the year

Tax for the year consists of current tax for the year and deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity. The tax recognised in the income statement is classified as tax on ordinary activities and tax on extraordinary items, respectively.

The Company is jointly taxed with Danish group enterprises. The tax effect of the joint taxation is allocated to enterprises showing profits or losses in proportion to their taxable income. The jointly taxed enterprises have adopted the on-account taxation scheme.

## Balance Sheet

### Intangible assets

Clearly defined and identifiable development projects where the technical rate of utilisation, sufficient resources and a potential future market or development potential in the Company are provable and where the intention is to manufacture, market or use the product or process are recognised as intangible assets if the value in use can be determined reliably and it is sufficiently certain that future earnings can cover production, sales and administration costs as well as total development costs.

Other development costs are recognised as costs in the Income Statement as they incur.

Development costs comprise costs, including wages, salaries and amortisation, that are directly or indirectly attributable to the development activities of the enterprise and meet the recognition criteria.

Capitalised development costs are measured at cost on initial recognition and subsequently at the lower of cost less accumulated amortisation and the recoverable amount.

## Accounting Policies

### Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up to the time when the asset is ready for use. In the case of assets of own construction, cost comprises direct and indirect expenses for labour, materials, components and sub-suppliers.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

|   |            |
|---|------------|
| Production buildings:                             | 15 years   |
| Other fixtures and fittings, tools and equipment: | 3-15 years |

The carrying amounts of intangible assets and property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, an impairment test is carried out to determine whether the recoverable amount is lower than the carrying amount, and the asset is written down to its lower recoverable amount. This impairment test is performed on an annual basis for development projects in progress irrespective of any indication of impairment.

### Deposits

Deposits are measured at cost.

### Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts. Provisions for bad debts are determined on the basis of an individual assessment of each receivable, and in respect of trade receivables, a general provision is also made based on the Company's experience from previous years.

### Prepayments

Prepayments recognised in assets comprises prepaid costs regarding subsequent financial years.

### Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand.

### Equity

Equity comprises the working capital and a number of equity items that may be statutory or stipulated in the articles of association.

Proposed dividend for the year is recognised as a separate item in equity.

### Deferred tax

Deferred tax and the associated adjustments for the year are determined according to the balance-sheet liability method as the tax base of all temporary differences between carrying amounts and the tax bases of assets and liabilities.

Deferred tax assets, including the tax base of tax losses allowed for carryforward, are recognised at the value at which they are expected to be used, either by elimination in tax on future earnings or by set-off against deferred tax liabilities in enterprises within the same legal entity and jurisdiction.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax.

## Accounting Policies

### Current tax liabilities

Current tax liabilities and current tax receivables are recognised in the Balance Sheet as calculated tax on the expected taxable income for the year, adjusted for tax on taxable income for previous years as well as for tax prepaid.

### Liabilities

Mortgage loans are measured at amortised cost, which for cash loans corresponds to the remaining loan. Amortised cost of debenture loans corresponds to the remaining loan calculated as the underlying cash value of the loan at the date of raising the loan adjusted for depreciation of the price adjustment of the loan made over the term of the loan at the date of raising the loan.

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

### Other payables

Other payables are measured at amortised cost, which usually corresponds to the nominal value

### Contingent assets and liabilities

Contingent assets and liabilities are not recognised in the Balance Sheet but appear only in the notes.

## Income Statement

|  | Note | 2021<br>kr.       | 2020<br>kr.       |
|--|------|-------------------|-------------------|
| <b>Gross profit</b>  | 1    | <b>19.902.493</b> | <b>60.220.024</b> |
| Employee benefits expense  | 2    | -2.644.064        | -4.654.530        |
| Depreciation, amortisation expense and impairment losses of property, plant and equipment and intangible assets recognised in profit or loss |      | 0                 | -2.572.169        |
| <b>Profit from ordinary operating activities</b>   |      | <b>17.258.429</b> | <b>52.993.325</b> |
| Finance income   | 3    | 2.266             | 12.437            |
| Finance expences   | 4    | -6.504.330        | -3.573.724        |
| <b>Profit from ordinary activities before tax</b>  |      | <b>10.756.365</b> | <b>49.432.038</b> |
| Tax expense on ordinary activities   | 5    | -2.395.665        | -15.202.035       |
| <b>Profit</b>  |      | <b>8.360.700</b>  | <b>34.230.003</b> |
| <b>Proposed distribution of results</b>  |      |                   |                   |
| Proposed dividend recognised in equity   |      | 8.000.000         | 0                 |
| Reserve for current value of hedging   |      | -6.446.018        | 0                 |
| Retained earnings  |      | 6.806.718         | 34.230.003        |
| <b>Distribution of profit</b>  |      | <b>8.360.700</b>  | <b>34.230.003</b> |

Lyngby Kraftvarmeværk A/S

Balance Sheet as of 31 December

|                                  | Note | 2021<br>kr.       | 2020<br>kr.       |
|----------------------------------|------|-------------------|-------------------|
| <b>Assets</b>                    |      |                   |                   |
| Deposits, investments            |      | 36.000            | 36.000            |
| <b>Investments</b>               |      | <u>36.000</u>     | <u>36.000</u>     |
| <b>Fixed assets</b>              |      | <u>36.000</u>     | <u>36.000</u>     |
| Short-term trade receivables     |      | 21.341.453        | 16.358.703        |
| Other short-term receivables     |      | 242.591           | 2.457.278         |
| Prepayments                      |      | 40.052            | 2.707             |
| <b>Receivables</b>               |      | <u>21.624.096</u> | <u>18.818.688</u> |
| <b>Cash and cash equivalents</b> |      | <u>1.474.321</u>  | <u>5.847.473</u>  |
| <b>Current assets</b>            |      | <u>23.098.417</u> | <u>24.666.161</u> |
| <b>Assets</b>                    |      | <u>23.134.417</u> | <u>24.702.161</u> |

**Balance Sheet as of 31 December**

|  | Note | 2021<br>kr.       | 2020<br>kr.       |
|--|------|-------------------|-------------------|
| <b>Liabilities and equity</b>                                |      |                   |                   |
| Contributed capital  |      | 500.000           | 500.000           |
| Reserve for current value of hedging                         |      | 5.235.173         | 11.681.191        |
| Retained earnings  |      | -3.048.416        | -9.855.134        |
| Proposed dividend recognised in equity                       |      | 8.000.000         | 0                 |
| <b>Equity</b>  |      | <b>10.686.757</b> | <b>2.326.057</b>  |
| Trade payables   |      | 9.491.010         | 2.175.516         |
| Tax payables   |      | 2.381.242         | 13.457.340        |
| Other payables   |      | 575.408           | 6.743.248         |
| <b>Short-term liabilities other than provisions</b>          |      | <b>12.447.660</b> | <b>22.376.104</b> |
| <b>Liabilities other than provisions within the business</b> |      | <b>12.447.660</b> | <b>22.376.104</b> |
| <b>Liabilities and equity</b>                                |      | <b>23.134.417</b> | <b>24.702.161</b> |

Contingent liabilities

6

Statement of changes in Equity

|   | Contributed<br>capital | Retained<br>earnings | Proposed<br>dividend<br>recognised<br>in equity | Reserve for<br>current value<br>of hedging | Total             |
|---|------------------------|----------------------|---|--|-------------------|
| Equity 1 January 2021                     | 500.000                | -9.855.134           |   | 11.681.191                                 | 2.326.057         |
| Net adjustments of hedging<br>instruments | 0                      | 0                    | 0   | -6.446.018                                 | -6.446.018        |
| Profit (loss)                             | 0                      | 6.806.718            | 8.000.000                                       | 0  | 14.806.718        |
| <b>Equity 31 December 2021</b>            | <b>500.000</b>         | <b>-3.048.416</b>    | <b>8.000.000</b>                                | <b>5.235.173</b>                           | <b>10.686.757</b> |

The share capital consists of 500.000 shares of a nominal value of DKK 1. No shares carry any special rights.

The share capital has remained unchanged for the last 5 years.



Notes

|                                       | 2021             | 2020              |
|---------------------------------------|------------------|-------------------|
| <b>1. Special items</b>               |                  |                   |
| Profit on sales of fixed assets       | 0                | 22.901.578        |
| <b>Balance at the end of the year</b> | <b>0</b>         | <b>22.901.578</b> |
| <b>2. Employee benefits expense</b>   |                  |                   |
| Wages and salaries                    | 2.515.020        | 4.417.920         |
| Post-employment benefit expense       | 123.200          | 216.280           |
| Social security contributions         | 5.844            | 20.330            |
|                                       | <b>2.644.064</b> | <b>4.654.530</b>  |
| <br>                                  |                  |                   |
| Average number of employees           | 1                | 3                 |
| <b>3. Other finance income</b>        |                  |                   |
| Other finance income                  | 2.266            | 12.437            |
|                                       | <b>2.266</b>     | <b>12.437</b>     |
| <b>4. Finance expenses</b>            |                  |                   |
| Other finance expenses                | 6.504.330        | 3.573.724         |
|                                       | <b>6.504.330</b> | <b>3.573.724</b>  |
| <b>5. Tax expense</b>                 |                  |                   |
| Current tax for the year              | 2.381.242        | 13.457.340        |
| Deferred tax for the year             | 0                | 1.126.967         |
| Adjustment of previous years tax      | 14.423           | 3.938.733         |
| Adjustment tax current year           | 0                | -3.321.005        |
|                                       | <b>2.395.665</b> | <b>15.202.035</b> |

**6. Contingent liabilities**

The Company is jointly taxed with the other enterprises in the group and are jointly and severally liable for the taxes that concern the joint taxation.

The total amount appears from the annual report of Another Holding Company ApS which is the administration company in the joint taxation.