

Living Energy International A/S

Frederiksborgvej 399, 4000 Roskilde

Company reg. no. 35 02 58 20

Annual report

1 January - 31 December 2021

The annual report was submitted and approved by the general meeting on the 17 June 2022.

Nicholaj Asger Hansen
Chairman of the meeting

Notes:

- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

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Management's statement

Today, the Board of Directors and the Managing Director have approved the annual report of Living Energy International A/S for the financial year 1 January - 31 December 2021.

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

We consider the chosen accounting policy to be appropriate, and in our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2021 and of the results of the Company's operations for the financial year 1 January – 31 December 2021.

The Board of Directors and the Managing Director consider the conditions for audit exemption of the 2021 financial statements to be met.

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

We recommend that the annual report be approved at the Annual General Meeting.

Roskilde, 17 June 2022

Managing Director

Nicholaj Asger Hansen

Board of directors

Niels Anker Rasmussen

Jørgen Laustsen

Nicholaj Asger Hansen

Practitioner's compilation report

To the Shareholder of Living Energy International A/S

We have compiled the financial statements of Living Energy International A/S for the financial year 1 January - 31 December 2021 based on the company's bookkeeping and on information you have provided.

These financial statements comprise a summary of significant accounting policies, income statement, balance sheet and notes.

We performed this compilation engagement in accordance with International Standard on Related Services 4410 (Revised), Compilation Engagements.

We have applied our expertise in accounting and financial reporting to assist Management in the preparation and presentation of these financial statements in accordance with the Danish Financial Statements Act. We have complied with relevant requirements under the Danish Act on Approved Auditors and Audit Firms and International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) including principles of integrity, objectivity, professional competence and due care.

These financial statements and the accuracy and completeness of the information used to compile them are your responsibility.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you provided to us to compile these financial statements. Accordingly, we do not express an audit opinion or a review conclusion on whether these financial statements are prepared in accordance with the Danish Financial Statements Act.

Hillerød, 17 June 2022

Grant Thornton

State Authorised Public Accountants
Company reg. no. 34 20 99 36

Claus Koskelin

State Authorised Public Accountant
mne30140

Company information

The company

Living Energy International A/S
Frederiksborgvej 399
4000 Roskilde

Company reg. no. 35 02 58 20
Financial year: 1 January - 31 December

Board of directors

Niels Anker Rasmussen
Jørgen Laustsen
Nicholaj Asger Hansen

Managing Director

Nicholaj Asger Hansen

Auditors

Grant Thornton, Statsautoriseret Revisionspartnerselskab
Nordstensvej 11
3400 Hillerød

Subsidiary

Living Energy Lighting ApS, Roskilde

Management's review

The principal activities of the company

The company's main activities are project development and sale of solar streetlight projects, photovoltaic projects for commercial and government customers and related business.

Uncertainties about recognition or measurement

There has been no significant uncertainty or unusual circumstances that have affected the recognition or measurement.

Development in activities and financial matters

Focus has been on Africa/ECOWAS, Caribbean/Haiti and New Zealand with some promising projects under development in each region.

The photovoltaic private market in Denmark has picked up and a number of small private home projects have been realised and more are expected in 2022.

Expected developments

In Haiti contracts negotiations are ongoing for a 12 MW hybrid photovoltaic upgrade of an existing HF powerplant and in Nigeria for a 1 MW + BESS photovoltaic system.

The company expects to sign contract(s) worth minimum 4M USD in Q3 and thus a significant increase of revenue in 2022. The result for the coming year is expected to be positive.

Events occurring after the end of the financial year

No events have occurred after the end of the financial year that could significantly upset the company's financial position.

Accounting policies

The annual report for Living Energy International A/S has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises.

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

Recognition and measurement in general

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, writedowns for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the company and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost, allowing a constant effective interest rate to be recognised during the useful life of the asset or liability. Amortised cost is recognised as the original cost less any payments, plus/less accrued amortisations of the difference between cost and nominal amount. In this way, capital losses and gains are allocated over the useful life of the liability.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

Income statement

Gross loss

Gross loss comprises the revenue, product consumption and external costs.

The enterprise will be applying IAS 18 as its basis of interpretation for the recognition of revenue.

Revenue comprises the value of services provided during the year, including outlay for customers less VAT and price concessions directly associated with the sale.

Revenue is recognised in the income statement on the completion of sales. This is generally considered to be the case when:

- The service has been provided before the end of the financial year
- A binding sales agreement exists
- The sales price has been determined

Accounting policies

- Payment has been received, or is anticipated with a reasonable degree of certainty.

This ensures that recognition does not take place until the total income and costs and stage of completion at the reporting date can be reliably validated and it seems probable that the economic benefits, including payments, will flow to the enterprise.

Cost of sales comprises costs concerning purchase of raw materials and consumables less discounts.

Other external costs comprise costs incurred for administration.

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, financial expenses from financial leasing, realised and unrealised capital gains and losses relating to securities, debt and transactions in foreign currency, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

Results from investments in subsidiaries

Dividend from investments in subsidiaries is recognised in the financial year in which the dividend is declared.

Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

The company is subject to Danish rules on compulsory joint taxation of Danish group enterprises. The company acts as an administration company in relation to the joint taxation. This means that the total Danish tax payable by the Danish consolidated companies is paid to the tax authorities by the company.

The current Danish income tax is allocated among the jointly taxed companies proportional to their respective taxable income (full allocation with reimbursement of tax losses).

Statement of financial position

Impairment loss relating to non-current assets

The carrying amount of both intangible and tangible fixed assets as well as equity investments in subsidiaries are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively. Writedown for impairment is done to the recoverable amount if this value is lower than the carrying amount.

Accounting policies

The recoverable amount is the higher value of value in use and selling price less expected selling cost. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the asset group and expected net cash flows from the sale of the asset or the asset group after the end of their useful life.

Previously recognised impairment losses are reversed when conditions for impairment no longer exist. Impairment relating to goodwill is not reversed.

Investments

Investments in subsidiaries

Investments in subsidiaries are recognised and measured at cost. If the recoverable amount is lower than the cost price, it shall be written down for impairment to this lower value.

Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value.

Accounts receivable for which there is no objective indication of impairment at the individual level are evaluated at portfolio level for objective indication of impairment. The portfolios are primarily based on the debtors' domicile and credit rating in accordance with the company's and the group's credit risk management policy. Determination of the objective indicators applied for portfolios are based on experience with historical losses.

Impairment losses are calculated as the difference between the carrying amount of accounts receivable and the present value of the expected cash flows, including the realisable value of any securities received. The effective interest rate for the individual account receivable or portfolio is used as the discount rate.

Cash on hand and demand deposits

Cash on hand and demand deposits comprise cash at bank and on hand.

Liabilities other than provisions

Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.

Income statement 1 January - 31 December

All amounts in DKK.

<u>Note</u>	<u>2021</u>	<u>2020</u>
Gross loss	-30.622	228.058
Income from investments in subsidiaries	123.209	-29.479
Other financial expenses	-251	-149.874
Pre-tax net profit or loss	92.336	48.705
Tax on net profit or loss for the year	0	0
Net profit or loss for the year	92.336	48.705
Proposed appropriation of net profit:		
Transferred to retained earnings	92.336	48.705
Total allocations and transfers	92.336	48.705

Balance sheet at 31 December

All amounts in DKK.

Assets		
<u>Note</u>	<u>2021</u>	<u>2020</u>
Non-current assets		
Investments in subsidiaries	178.730	55.521
Total investments	<u>178.730</u>	<u>55.521</u>
Total non-current assets	<u>178.730</u>	<u>55.521</u>
Current assets		
Trade receivables	0	16.812
Receivables from subsidiaries	234.140	152.774
Other receivables	3.283	0
Total receivables	<u>237.423</u>	<u>169.586</u>
Cash and cash equivalents	<u>6.377</u>	<u>133.689</u>
Total current assets	<u>243.800</u>	<u>303.275</u>
Total assets	<u>422.530</u>	<u>358.796</u>

Balance sheet at 31 December

All amounts in DKK.

Equity and liabilities		
<u>Note</u>	<u>2021</u>	<u>2020</u>
Equity		
Contributed capital	500.000	500.000
Retained earnings	-494.473	-586.808
Total equity	<u>5.527</u>	<u>-86.808</u>
 Liabilities other than provisions		
Other payables	417.003	445.604
Total short term liabilities other than provisions	<u>417.003</u>	<u>445.604</u>
 Total liabilities other than provisions	<u>417.003</u>	<u>445.604</u>
 Total equity and liabilities	<u>422.530</u>	<u>358.796</u>

1 Contingencies

Notes

All amounts in DKK.

2021

2020

1. Contingencies

Joint taxation

The company acts as administration company for the group of companies subject to the Danish scheme of joint taxation and is unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, to pay the total corporation tax.

TheThe company is unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for any obligations to withhold tax on interest, royalties, and dividends.

Any subsequent adjustments of corporate taxes or withholding taxes, etc., may result in changes in the company's liabilities.