Obton Solenergi Global P/S

Kristine Nielsens Gade 5,

8000 Aarhus C

CVR No. 35818707

Annual Report 2022

9. financial year

The Annual Report was presented and
adopted at the Annual General Meeting of
the Company on 9 May 2023

Michel Nimeh
Chairman

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Management's Statement

Today, the Supervisory Board and the Executive Board have considered and adopted the Annual Report of Obton Solenergi Global P/S for the financial year1 January 2022 - 31 December 2022.

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

In our opinion, the Consolidated Financial Statements and the Financial Statements give a true and fair view of the assets, liabilities and financial position of the Company at 31 December 2022 and of the results of the Group's and the Company's operations and the Group's cash flows for the financial year 1 January 2022 - 31 December 2022.

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, 20 April 2023

Executive Board

Anders Marcus

Supervisory Board

Søren Lindgaard Chairman	Lars Bentsen	Anders Marcus

Independent Auditors’ Report

To the shareholders of Obton Solenergi Global P/S

Opinion
We have audited the consolidated financial statements and the financial statements of Obton Solenergi Global P/S for the financial year 1 January 2022 - 31 December 2022, which comprise an income statement, balance sheet, statement of changes in equity and notes. The consolidated financial statements and the financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, consolidated financial statements and the financial statements give a true and fair view of the Group's and the Company's financial position at 31 December 2022 and of the results of its operations for the financial year 1 January 2022 - 31 December 2022 in accordance with the Danish Financial Statements Act.

Basis of opinion
We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibility under those standards and requirements are further described in the “Auditors' responsibility for the Audit of the Consolidated Financial Statements and the Parent Company Financial Statements” section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to uor audit of the financial statement in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibility for the financial statements
Management is responsible for the preparation of consolidated financial statements and financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control as Management considers necessary to enable the preparation of consolidated financial statements and financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and the financial statements, Management is responsible for assessing the Group's and 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 consolidated financial statements and the financial statements unless Management either intends to either liquidate the Group and the Company or suspend operations, or has no realistic alternative but to do so.

The auditor's responsibility for the audit of the consolidated financial statements and the financial statements
Our responsibility is to obtain reasonable assurance as to whether the consolidated financial statements and the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is no guarantee that an audit conducted in accordance with ISAs and additional requirements applicable in Denmark will always detect material misstatements. Misstatements can arise from fraud or error and can be considered material if it would be reasonable to expect that these - either individually or collectively - could influence the economic decisions taken by the users of financial statements on the basis of these consolidated financial statements and financial statements.

As part of an audit conducted in accordance with ISAs and additional requirements applicable in Denmark, we exercise professional judgement and maintain an attitude of professional skepticism throughout the audit. We also:

* Identify and assess the risk of material misstatements in the consolidated financial statements and 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 a material misstatement

resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or 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 whether the accounting policies used are appropriate and whether the accounting estimates and the related disclosures made by Management are reasonable.

* Conclude on whether Management's use of the going concern basis of accounting in preparing the consolidated financial statements and the financial statements is appropriate and, based on the audit evidence obtained, conclude on whether a material uncertainty exists relating to events or conditions, which could cast significant doubt on the Group's and 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 auditors' 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 auditors' report. However, future events or conditions may imply that the Group and the Company can no longer remain a going concern.

* Evaluate the overall presentation, structure and contents of the financial statements, including note disclosures, and whether the consolidated financial statements and the financial statements reflect 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 which we identify during our audit.

Statement on Management's Review
Management is responsible for the Management's review.

Our opinion on the consolidated financial statements and the financial statements does not cover the Management's review, and we do not express any form of opinion providing assurance regarding the Management's review.

Our responsibility in connection with our audit of the consolidated financial statements and the financial statements is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the consolidated financial statements and the financial statements or with the knowledge we have gained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review meets the disclosure requirements in the Danish Financial Statements Act.

Based on our procedures, we are of the opinion that the Management's review is in accordance with the consolidated financial statements and the financial statements and has been prepared in accordance with the requirements in the Danish Financial Statements Act. In our opinion, the Management's review is not materially misstated.

Aarhus, 20 April 2023

BDO Statsautoriseret Revisionsaktieselskab
CVR-no. 20222670

Independent Auditors' Report

Morten Kristiansen Veng
State Authorised Public Accountant
mne34298

Company details

Company	Obton Solenergi Global P/S Kristine Nielsens Gade 5, 8000 Aarhus C
CVR No.	35818707
Date of formation	20 February 2014
Financial year	1. januar 2022 - 31. december 2022
Supervisory Board	Søren Lindgaard Lars Bentsen Anders Marcus
Executive Board	Anders Marcus
Limited partners	Obton Global Selskabsinvestor P/S Obton Global Privatinvestor A/S
Auditors	BDO Statsautoriseret Revisionsaktieselskab Kystvejen 29 8000 Aarhus C CVR-no.: 20222670

Management's Review

The Group's principal activities
Obton Solenergi Global P/S on behalf of the companies Obton Global Selskabsinvestor P/S and Obton Global Privatinvestor A/S invests in PV plants across several countries.
The purpose of Obton Solenergi Global P/S is to achieve a predictable return to the investors through diversification of investing in PV plants across several countries. The company holds investments in PV plants in Germany, Belgium, France, Italy and Hungary.

Development in activities and the financial situation
The investment opportunity Obton Solenergi Global was launched in 2014 with share subscriptions ending early in 2016. PV plants were bought as shares were subscribed. The primary activity in 2015 and 2016 was the acquisition of PV plants. In 2021 the company added an ownership stake in a large Hungarian PV plant.

In 2022 production and revenue was strong and the company also disposed of the investment in the minor Italian PV plant Sarpi. The result is considered satisfactory.

The main part of the positive annual result was due to strong performance in the Belgian PV plants. A potential tariff-case means, that there is uncertainty regarding the possibility of a distribution to investors from the Belgian SPV's which will be the main distribution contributor in 2023.

2022 production was 3,8% above budget corresponding to an index of 103,8. The higher than anticipated production was primarily due to the performance of the Belgian and Hungarian PV plants. The total production of the company since its inception was at an index of 100,8 at the end of 2022.

Besides the strong production results, extraordinary power prices particularly in Belgium contributed to the annual higher than expected revenue and result. Higher than expected interest expenses in Hungary however had a negative impact on the result due to partly variable interest rates in the Hungarian PV companies. On a portfolio basis, the majority of the interest rates on loans in the PV companies are fixed.

Extraordinary high inflation through 2022 did not have a noticeable impact on the annual result. It will, however, have a positive impact on the Hungarian tariff in 2023.

Obton Solenergi Global P/S does not report on the financial performance on minority interests in its annual report. Hence, to provide an insight into the financial performance of the entire portfolio group, a consolidated report with pro-rata figures from minority interests have been prepared. The figures can not be directly deduced from the annual report.

tDKK	Current period	Prior Period
Revenue	124.395	101.640
Other income	15.758	0
Other costs	0	0
Opex	-22.330	-18.951
EBITDA	**117.823**	**82.689**
Depriciations	-59.445	-51.385
EBIT	**58.378**	**31.304**
Income from investments	2.468	2.194
Financial income	212	172
Financial expenses	-29.780	-22.711
EBT	**31.277**	**10.958**
Income Tax	-6.251	-5.869
Minority interest	0	1
Net profit/loss	**25.026**	**5.091**

Management's Review

tDKK	Current period	Prior Period
Tangible assets	648.053	734.870
Other longterm assets	65.189	65.189
Non-current assets	**713.242**	**800.059**
Trade receivables	15.458	9.531
Other receivables	16.859	13.053
Tax receivables	142	1.951
Cash	55.751	49.006
Deposit cash	30.156	25.852
Current assets	**118.367**	**99.393**
Total	**831.609**	**899.452**
Equity	241.000	200.714
Non-controlling interest	0	10
Total equity	**241.000**	**200.723**
Loans	462.258	519.800
Derivatives	-17.373	20.295
Provisions	39.314	36.189
Non-current liabilities	**484.199**	**576.284**
Trade payables	39.192	3.267
Tax payables	591	498
Other liabilities	66.626	118.679
Current liabilities	**106.410**	**122.445**
Total	**831.609**	**899.452**

Management's Review

Post financial year events
No significant events of significant importance to the financial position of the company or group have occurred after the closing of the fiscal year.

Expectations for the future
Focus of management in 2023 will be on optimization of the portfolio of PV plants.

Salary informations
According to the Act on managers of alternative investment funds etc. (FAIF Act), cf. section 61, subsection 3, point 5 and 6, the following information must be provided.

The total salary for 2022 for employees excl. the management, with the Obton Forvaltning A/S, amounts to tDKK 12,353 of which tDKK 12,353 is fixed salary and tDKK 0 is variable salary.

The total salary for the management at the administrator amounts to tDKK 675 of which tDKK 675 is fixed salary and tDKK 0 is variable salary.

The total salary for employees of the manager, who according to the FAIF Act have a significant influence on the risk profile of the managed investment fund, amounts to tDKK 3,939 of which tDKK 3,939 is fixed salary and tDKK 0 is variable salary.

No preferential return is paid to any employees or management at Obton Forvaltning A/S from any of the managed investment funds.

There is no information that enables the allocation of the total salary sums to the individual managed investment funds.

The average number of employees at the manager in 2022, converted to full-time employees, amounts to 15.

Income Statement

	Note	Group 2022 kr.	Group 2021 kr.	Parent 2022 kr.	Parent 2021 kr.
Revenue		93.940.307	85.553.800	0	0
Other operating income		14.962.191	1.627.317	0	0
Other external expenses		-15.551.772	-14.800.633	-568.478	-288.776
Gross result		**93.350.726**	**72.380.484**	**-568.478**	**-288.776**
Depreciation and amortisation		-47.074.909	-42.886.741	0	0
Profit from ordinary operating activities		**46.275.817**	**29.493.743**	**-568.478**	**-288.776**
Income from investments in group enterprises and participating interests		-5.260.876	1.426.615	14.253.968	5.936.814
Gain/loss from group enterprises		0	0	5.779.534	0
Income from other investments		2.441.281	2.193.615	2.441.281	2.193.615
Other financial income from group enterprises		0	0	185.583	131.775
Financial income		86.252	0	5.809	0
Financial expenses		-16.318.973	-19.974.812	-23.257	-120.285
Profit from ordinary activities before tax		**27.223.501**	**13.139.161**	**22.074.439**	**7.853.143**
Tax on ordinary activities	1	-4.081.166	-6.300.859	-348.347	-43.946
Profit		**23.142.335**	**6.838.302**	**21.726.092**	**7.809.197**
Proposed distribution of results					
Proposed dividend recognised in equity		0	17.896.000	0	17.896.000
Proposed extraordinary dividend recognised in equity		0	23.190.979	0	23.190.979
Reserve for net revaluation according to equity method		-5.260.876	1.426.615	14.253.968	5.936.814
Minority interests		0	-1.330	0	0
Retained earnings		28.403.211	-35.673.962	7.472.124	-39.214.596
Distribution of profit		**23.142.335**	**6.838.302**	**21.726.092**	**7.809.197**

Balance Sheet as of 31 December

	Note	Group 2022 kr.	Group 2021 kr.	Parent 2022 kr.	Parent 2021 kr.
Assets					
Plant and machinery	2	415.629.167	479.546.647	0	0
Property, plant and equipment		**415.629.167**	**479.546.647**	**0**	**0**
Investments in group enterprises	3	0	0	114.297.731	74.303.746
Participating interests	4	12.649.203	6.658.201	12.609.356	6.618.353
Other investments		36.922.766	36.922.766	36.922.766	36.922.766
Long-term receivables from group enterprises		0	0	45.161.496	53.946.517
Long-term receivables from participating interests		46.523.881	56.376.055	46.523.881	56.376.055
Other long-term receivables		35.790.780	2.202.965	28.226.560	2.202.965
Investments		**131.886.630**	**102.159.987**	**283.741.790**	**230.370.402**
Fixed assets		**547.515.797**	**581.706.634**	**283.741.790**	**230.370.402**
Trade receivables		10.677.619	7.998.213	0	0
Current deferred tax		0	1.175.284	0	0
Tax receivables		0	775.617	67.579	245.847
Other receivables		9.374.892	6.715.348	2.441.281	0
Deferred income		1.064.581	1.234.231	0	0
Receivables		**21.117.092**	**17.898.693**	**2.508.860**	**245.847**
Cash and cash equivalents		**69.697.318**	**63.744.284**	**102.489**	**174.312**
Current assets		**90.814.410**	**81.642.977**	**2.611.348**	**420.159**
Assets		**638.330.207**	**663.349.611**	**286.353.138**	**230.790.561**

Obton Solenergi Global P/S

Balance Sheet as of 31 December

	Note	Group 2022 kr.	2021 kr.	Parent 2022 kr.	2021 kr.
Liabilities and equity					
Contributed capital		111.850.000	111.850.000	111.850.000	111.850.000
Reserve for net revaluation according to equity method		10.797.357	6.006.354	104.677.310	57.630.250
Reserve for current value of hedging		5.673.167	14.501.758	0	0
Retained earnings		112.679.829	52.343.136	24.473.043	16.637.324
Proposed dividend recognised in equity		0	17.896.000	0	17.896.000
Minority interests		0	9.821	0	0
Equity		**241.000.353**	**202.607.069**	**241.000.353**	**204.013.574**
Provisions for deferred tax		19.218.613	17.194.816	0	0
Other provisions		4.532.427	4.720.777	0	0
Provisions		**23.751.040**	**21.915.593**	**0**	**0**
Mortgage debt		246.682.813	288.049.921	0	0
Prepayments		41.957.887	48.837.242	0	0
Derivative financial instruments	5	0	18.374.313	0	0
Long-term liabilities other than provisions	6	**288.640.700**	**355.261.476**	**0**	**0**
Mortgage debt		44.640.903	46.389.548	0	0
Trade payables		4.210.527	3.024.041	320.348	81.846
Payables to group enterprises		3.097.089	2.793.797	29.224.157	26.695.141
Tax payables		252.624	0	0	0
Other payables		26.270.371	21.964.972	15.808.280	0
Prepayments		6.466.600	9.393.115	0	0
Short-term liabilities other than provisions		**84.938.114**	**83.565.473**	**45.352.785**	**26.776.987**
Liabilities other than provisions within the business		**373.578.814**	**438.826.949**	**45.352.785**	**26.776.987**
Liabilities and equity		**638.330.207**	**663.349.611**	**286.353.138**	**230.790.561**
Contingent liabilities	7				
Collaterals and assets pledges as security	8				

Obton Solenergi Global P/S

Statement of changes in Equity

Parent

	Contributed capital	Reserve for net revaluation according to equity method	Retained earnings	Proposed dividend recognised in equity	Total
Equity 1 January 2022	111.850.000	57.630.250	16.637.324	17.896.000	204.013.574
Dividend paid	0	0	0	-17.896.000	-17.896.000
Change of investments through net exchange differences	0	-185.530	0	0	-185.530
Value adjustments of equity	0	33.342.215	0	0	33.342.215
Other adjustments of equity	0	3.637.057	-3.637.055	0	2
Profit (loss)	0	14.253.968	7.472.124	0	21.726.092
Distributed dividends from group enterprises	0	-4.000.650	4.000.650	0	0
Equity 31 December 2022	**111.850.000**	**104.677.310**	**24.473.043**	**0**	**241.000.353**

Statement of changes in Equity

Group

	Contributed capital	Reserve for net revaluation according to equity earnings	Reserve for current value of hedging	Retained earnings	Proposed dividend recognised in equity	Minority interests	Total
Equity 1 January 2022	111.850.000	6.006.354	14.501.758	52.343.136	17.896.000	9.821	202.607.069
Sale of minority shares	0	0	0	0	0	-9.821	-9.821
Dividend paid	0	0	0	0	-17.896.000	0	-17.896.000
Change of investments through net exchange differences	0	-186.976	0	0	0	0	-186.976
Value adjustments of equity	0	9.793.527	0	0	0	0	9.793.527
Net adjustments of hedging instruments	0	0	23.550.219	0	0	0	23.550.219
Other adjustments of equity	0	445.328	0	-445.328	0	0	0
Equity transfers to reserves	0	0	-32.378.810	32.378.810	0	0	0
Profit (loss)	0	-5.260.876	0	28.403.211	0	0	23.142.335
Equity 31 December 2022	**111.850.000**	**10.797.357**	**5.673.167**	**112.679.829**	**0**	**0**	**241.000.353**

Notes

1. Tax expense

	Group		Parent	
	2022	**2021**	**2022**	**2021**
Current tax expense	3.105.905	4.009.469	348.347	43.946
Adjustments for deferred tax	808.585	2.291.390	0	0
Adjustments for current tax of prior period	166.676	0	0	0
	4.081.166	**6.300.859**	**348.347**	**43.946**

2. Plant and machinery

Cost at the beginning of the year	757.025.737	756.740.937	0	0
Addition during the year, incl. improvements	52.731	284.800	0	0
Disposal during the year	-27.311.954	0	0	0
Transfers during the year to other items	-1.181.376	0	0	0
Cost at the end of the year	**728.585.138**	**757.025.737**	**0**	**0**
Depreciation and amortisation at the beginning of the year	-277.479.090	-234.592.350	0	0
Amortisation for the year	-47.074.909	-42.886.740	0	0
Reversal of prior years' impairment losses and amortisation	10.416.652	0	0	0
Transfers during the year to other items	1.181.376	0	0	0
Impairment losses and amortisation at the end of the year	**-312.955.971**	**-277.479.090**	**0**	**0**
Carrying amount at the end of the year	**415.629.167**	**479.546.647**	**0**	**0**

Notes

3. Investments in group enterprises

	Parent	
	2022	**2021**
Cost at the beginning of the year	22.680.255	22.680.255
Disposal during the year	-954.259	0
Cost at the end of the year	**21.725.996**	**22.680.255**
Revaluations at the beginning of the year	51.623.491	37.133.003
Result for the year	19.541.149	4.510.197
Equity adjustments	25.407.744	9.980.291
Dividends received from group entities	-4.000.650	0
Revaluations at the end of the year	**92.571.734**	**51.623.491**
Carrying amount at the end of the year	**114.297.730**	**74.303.746**

4. Long-term participating interests

	Group		Parent	
	2022	**2021**	**2022**	**2021**
Cost at the beginning of the year	651.848	666.848	611.593	626.593
Addition during the year, incl. improvements	1.200.000	0	1.200.000	0
Disposal during the year	0	-15.000	0	-15.000
Transfers during the year to other items	0	0	407	0
Cost at the end of the year	**1.851.848**	**651.848**	**1.812.000**	**611.593**
Revaluations at the beginning of the year	6.006.353	2.461.593	6.006.760	2.462.000
Result of the year	-5.260.876	1.426.615	-5.287.181	1.425.390
Change due to a foreign currency translation adjustment	-186.976	0	-185.530	0
Equity adjustments	9.793.527	2.118.145	9.793.529	2.118.145
Reversal of prior adjustments	0	0	-407	1.225
Writedown in trade receivables	445.327	0	470.185	0
Revaluations at the end of the year	**10.797.355**	**6.006.353**	**10.797.356**	**6.006.760**
Carrying amount at the end of the year	**12.649.203**	**6.658.201**	**12.609.356**	**6.618.353**

Notes

5. Derivative financial instruments

In other long-term receivables is included positive fair value of interest rate swaps of net DKK 8 million (2021: DKK -18 million). Interest rate swaps have been entered into to hedge a fixed interest rate on the Group's floating rate bank loans. The interest rate swaps concluded have a total residual debt of DKK 209 million (2021: DKK 262 million) and secure a fixed interest rate of between 0,6% and 2,8% for the residual term of between 6 and 7 years. The interest is settled on an ongoing basis.

The bank loan and the interest rate swap are with the same counterparty. The fair value of interest rate swap contracts is calculated by discounting the estimated discounted on the basis of an interest rate curve for the underlying variable interest rate in interest rate swap. The fair value includes an adjustment for own credit risk.

6. Long-term liabilities

Group

	Due after 1 year	**Due within 1 year**	**Due after 5 years**
Debt to credit institutions	246.682.813	44.640.903	91.581.284
Deferred income	41.957.887	6.466.600	16.091.487
	288.640.700	**51.107.503**	**107.672.771**

7. Contingent liabilities

The Group has entered into lease commitments amounting to DKK 34.046 thousand (2021: DKK 31.504 thousand) at the balance sheet date in the vesting period and which run until 2041.

8. Collaterals and securities

As security for debts to credit institutions, which at 31 December 2022 amount to DKK 310.973 thousand (2021: DKK 365.335 thousand), there are pledged production facilities whose carrying amount at 31 December 2022 is DKK 415.629 thousand (2021: DKK 479.547 thousand)

Accounting Policies

Reporting Class
The Annual Report of Obton Solenergi Global P/S for 2022 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.

Consolidated Financial Statements
The Consolidated Financial Statements comprise the parent company Obton Solenergi Global P/S and subsidiaries in which Obton Solenergi Global P/S directly or indirectly holds more than 50% of the voting rights or in other ways has control. Enterprises in which the Group holds between 20% and 50% of the voting rights and exercises significant but not controlling influence are considered associates, cf. Group chart.

For the consolidation, intercompany income and costs, shareholdings, intercompany balances and dividends as well as realised and unrealised profit and loss are eliminated in connection with transactions between the consolidated enterprises.

Equity investments in subsidiaries are eliminated by the proportionate share of the subsidiaries' market value of net assets and liabilities at the time of acquisition.

Newly acquired or established enterprises are recognised in the Consolidated Financial Statements from the date of acquisition. Enterprises sold or liquidated are recognised in the Consolidated Income Statement up to the date of disposal. Comparative figures are not corrected for enterprises newly acquired, sold or liquidated.

Minority Interests
Items of the subsidiaries are recognised in the Consolidated Financial Statements by 100%. The minority interests' proportionate share of the subsidiaries results, and equity is adjusted annually and are recognised as separate items under Income Statement and Balance Sheet.

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 in other receivables or other payables and in equity. In the event that the future transaction results in the recognition of assets or liabilities, any amounts previously recognised in equity will be transferred to the cost of the asset or the liability, respectively. In the event that the future transaction results in income or expenses, any amounts previously recognised in equity will be transferred to the Income Statement in the period in which the hedged item affects the Income Statement.

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

Income Statement

Revenue
Net revenue, which includes revenue from the sale of electricity, is recognised in the profit and loss statement when the supply and risk has been transferred to the buyer before the year-end and the revenue can be measured reliably and expected to be received. Net turnover is recognised net of VAT and taxes and net of discounts in

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connection with the sale.

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.

Other external expenses
Other external expenses comprise expenses regarding sale and administration.

Result of equity investments in subsidiaries and participating interests
The proportionate share of the individual subsidiaries' profit/loss after tax is recognised in the parent company's Income Statement after full elimination of intercompany profit/loss.

The proportionate shares of the associates' profit/loss after tax are recognised in both the group's and parent company's Income Statement after elimination of the proportionate share of intercompany profit/loss.

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 and unrealised capital gains and losses regarding securities, accounts payable and transactions in foreign currencies, repayment on mortgage loans, and surcharges and allowances under the tax prepayment scheme.

Dividends equity investments are recognised as income in the financial year in which the dividends are declared.

Tax on net profit/loss for the year
Under Danish tax regulation, the parent company is not an independent taxable entity, and therefore no tax has been recognized on the parent company's operating profit. The profit for the year is included in the calculation of taxable income of the shareholders in accordance with the general rules of tax legislation.

Tax for the year in the Group consists of the year's current corporate tax and changes in deferred tax, including changes as a result of change in tax rate. The amount attributable to the profit for the year is recognized in the income statement and the amount attributable directly to the items in equity is recognized directly in equity.

Balance Sheet

Tangible assets
Tangible assets are measured at cost on initial recognition and subsequently at cost less accumulated depreciation and impairment losses.

The depreciation base is calculated as the residual value of the asset at the end of its useful life, reduced by impairment losses, if any. The depreciation period and the residual value are determined at the date of acquisition.

Cost of tangible assets includes the purchase price and expenses directly related to the acquisition until the time when the asset is ready for use.

Depreciation is calculated using the straight-line method over the following estimated useful lives of the individual assets and their residual values:

	Useful time	Residual value
Plant and machinery:	10-25 years	0-10%

Gains or losses arising from the disposal of property, plant and equipment are determined as the difference between the selling price less selling costs and the carrying amounts at the time of sale. Gains or losses are recognised in the income statement as other operating income or other operating expense.

Equity investments in group enterprises and participating interests
Investments in group enterprises and participating interests are recognised in the balance sheet at the proportionate share of the equity value of the enterprises, calculated according to the parents accounting policies with the deduction or addition of unrealised intercompany profits or losses and with the addition or deduction of the remaining value of positive or negative goodwill, calculated according to the purchase method.

Subsidiaries having a negative equity value are recognised at kr. 0, and any amounts receivable from those enterprises are written down by the parents share of the negative equity value to the extent that the amounts are deemed to be uncollectible.

If the negative equity value exceeds receivables, the remaining amount is recognised as a provision to the extent that the parent has a legal or constructive obligation to cover the negative balance of the relevant subsidiary.

Other investments
Investments in unlisted companies are recognised in the balance sheed at cost. The cost includes the purchase consideration calculated at fair value plus direct acquisition costs. Where the net realisable value is lower than cost, the investments are written down to this lower value. Realised and unrealised capital gains and losses are recognised in the income statement.

Impairment of fixed assets
The carrying amount of tangible fixed assets and financial fixed assets not measured at fair value, are reviewed annually for indications of impairment beyond that expressed by depreciation.

If there is an indication of impairment, an impairment test is carried out on each asset respectively group of assets. An impairment loss is recognised at the recoverable amount, if this is lower than the carrying amount.

Recoverable amount is the higher of net selling price and net asset value. The capital value is calculated as the present value of the expected net cash flows from the use of the asset or group of assets and expected net cash flows from the sale of the asset or group of assets at the end of its useful life.

Other investments are recognised in the balance sheed at cost. The cost includes the purchase price at fair value plus direct acquisition costs. Where the net realisable value is lower than cost, the investments are written down to this lower value. Realised and unrealised capital gains and losses are recognised in the income statement.

Receivables
Receivables are measured at amortised cost which usually corresponds to the nominal value. The value is reduced by write-downs for expected bad debts.

Provisions
Provisions comprise expected costs of restoration of leases at the end of the lease term.

Tax liabilities and deferred tax
Parent
The company is not an independent taxable entity and therefore no tax has been recognized on the company's operating profit. The profit for the year is included in the calculation of taxable income of the shareholders according to the general rules of tax legislation.

Group
The Group's current tax liabilities and current tax receivable are recognized in the balance sheet as calculated tax on expected taxable income for the year, adjusted for tax on previous years' taxable income and tax on account.

Liabilities
Financial liabilities are recognised initially at the proceeds received net of transaction expenses incurred. In subsequent periods, financial liabilities are measured at amortised cost, corresponding to the capitalised value

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using the effective interest method, so that the difference between the proceeds and the nominal value is recognised in the Income Statement over the life of the financial instrument.

Mortgage debt is accordingly measured at amortised cost, corresponding to the outstanding balance in case of cash loans. In case of bond loans, amortised cost corresponds to the outstanding balance determined as the underlying cash value of the loans at the time of borrowing adjusted for amortisation of capital losses on the loans over the repayment period.

Other liabilities, comprising deposits, trade payables and other accounts payable, are measured at amortised cost, which usually corresponds to the nominal value.