ATHENA
INVESTMENTS

2018 ANNUAL REPORT

Approved at the Annual General Meeting
held on 23 April 2019

Chairman Jørgen Kjergaard Madsen

Athena Investments A/S - CVR no. 36 69 69 15 - Harbour House, Sundkrogsgade 21 DK – 2100 København Ø - Financial year: 1 January - 31 December

ATHENA
INVESTMENTS

2018 ANNUAL REPORT

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ATHENA INVESTMENTS A/S **2018** ANNUAL REPORT

MANAGEMENT REVIEW

2018 IN OUTLINE

CLIMATE AND **ENVIRONMENTAL** ACHIEVEMENTS

Environment Protection: Athena's gross production supplied **104,000 families** with clean energy in 2018.

Athena's gross production reduced the CO_2 emissions by approx. **165,000 tons** in 2018 - equalling the elimination of emissions from almost **69,000 cars**.

-3%
NET PRODUCTION
of 313 GWh compared to 323 GWh in 2017*

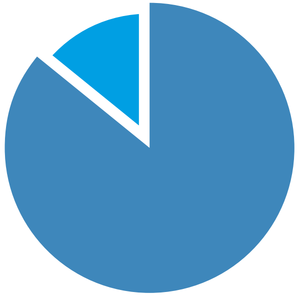
-8%
REVENUE**
of EUR 60.8M compared to EUR 66.1M

-7%
EBITDA***
of EUR 43.8M compared to EUR 46.9M

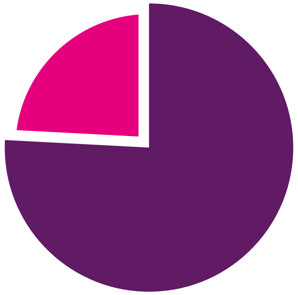
71%
EBITDA MARGIN**
in line with 2017

* Excluding production from the German assets sold
** Including Joint Ventures
*** Including Joint Ventures and excluding Special Items

CURRENT GEOGRAPHICAL PRESENCE



wind



solar

263 MW GROSS INSTALLED CAPACITY IN **2 COUNTRIES:**

	WIND
ITALY	87%
SPAIN	13%

WIND INSTALLED CAPACITY:
222 MW (173 MW NET)

	SOLAR
ITALY	76%
SPAIN	24%

SOLAR INSTALLED CAPACITY:
41 MW (41 MW NET)

LETTER FROM THE CHAIRMAN OF THE BOARD OF DIRECTORS AND THE CHIEF EXECUTIVE OFFICER

In 2017, by changing the Company's name from Greentech Energy Systems A/S to Athena Investments A/S and expanding the business platform we started our strategic transformation in order to become a diversified industrial holding using its permanent capital to create value over the long term.

During 2018, the evolution of the macroeconomic landscape refrained us from following onto some investment opportunities. Among other causes for concern, we considered the following:

- The trade conflict between US and China, that has affected the global trust and China's already weakening growth
- The political instability in most of the European countries and the never-ending Brexit process that will not help an already glooming economy over the whole continent
- In addition to the already high public debt, the private debt that has accumulated in recent years because of the liquidity inflow from Central banks after the crisis has artificially inflated the market multiples in many industries which became less attractive and more exposed to a risk of default when interest rates will inevitably increase over the long term

These issues supported our decision to focus fully on recovering value from our portfolio before focusing on new investments.

Thus, we reduced our portfolio invested in renewable energy assets by selling the German and Polish wind farms. The proceeds from the sales added up to the cash generated by our strong performance during the year, totalling EUR 52M at year-end.

Now, when writing this letter, we must say that the instability we described above is lasting and we do not see at the moment significant opportunities that could grant the adequate balance between growth and yield where we could deploy our permanent capital resources.

This is the reason why we propose to our shareholders to recover a remarkable part of their investment in Athena through a very significant dividend or EUR 42M (EUR 0.414/share).

LETTER FROM THE CHAIRMAN OF THE BOARD OF DIRECTORS AND THE CHIEF EXECUTIVE OFFICER

In the medium term, we will follow this path of progressive rotation of our portfolio and should the macroeconomic landscape remain uncertain, we will continue to propose to our shareholders to extract as much value as possible from Athena.

Regarding the financial performance for 2018 the changes in perimeter explain the decrease in EBITDA from EUR 46.9M to EUR 43.8M. Nevertheless, EBITDA margin (including Joint Ventures) was stable at 71% reflecting the efficiency in the portfolio management.

In 2018, the renewable energy gross production provided by the Company has satisfied the energy requirements of almost 104,000 families, resulting in energy savings of 424,000 barrels of oil and almost 165,000 tons of CO_2.

On behalf of the Board of Directors and the Management Board we take this opportunity to thank our partners and our employees for their support and we confirm our commitment in continuing to deliver value to our shareholders in the coming years.

PETER HØSTGAARD-JENSEN
Chairman of the Board of Directors

ALESSANDRO REITELLI
Chief Executive Officer

OUR STRATEGY

ATHENA AIMS TO DELIVER A LONG-TERM STABLE STREAM OF DIVIDENDS TO ITS SHAREHOLDERS

THE 3 PILLARS ARE:

- Providing permanent capital with a balance growth/yield
- Investing in a diversified sector base to benefit from secular trends
- Leveraging on a stable and solid shareholder base to ensure long-term value creation

FINANCIAL HIGHLIGHTS OF THE GROUP

EUR'000	2018	2017	2016	2015	2014*
Income statement					
Revenue	51,739	56,443	46,586	47,321	50,819
Gross profit	24,151	26,908	20,534	18,894	17,996
EBITDA **	36,884	39,308	30,411	29,341	32,249
Gain from a bargain purchase	-	-	3,722	-	-
Earnings before interest and tax (EBIT) ***	21,587	23,023	17,667	12,121	9,642
Net financials	-9,323	-11,184	-8,522	-10,205	-11,645
Profit/loss for the year from continuing operations	4,943	8,808	11,399	4,292	-19,741
Profit/loss for the year from discontinuing operations	-	-	-5,864	-2,948	-4,650
Profit/loss for the year	**4,943**	**8,808**	**5,535**	**1,344**	**-24,391**
Comprehensive income for the year	**6,877**	**13,164**	**6,590**	**2,590**	**-31,216**
Balance sheet					
Non-current assets	311,287	335,924	366,550	350,334	372,293
Current assets	90,908	77,546	57,014	53,134	66,845
Assets classified as held for sale	1,100	8,975	2,218	10,941	900
Total assets	**403,295**	**422,445**	**425,782**	**414,409**	**440,038**
Share capital	71,623	71,623	71,623	71,623	71,623
Equity	**212,205**	**209,358**	**198,421**	**91,831**	**189,441**
Non-current liabilities	159,950	180,842	152,796	152,527	173,002
Current liabilities	31,140	31,557	72,347	66,995	77,595
Liabilities classified as held for sale	-	688	2,218	3,056	-
Net working capital (NWC)	13,412	16,367	14,392	12,784	15,071
Cash flows					
Cash flow from operating activities	27,098	23,834	16,155	12,135	18,309
Cash flow from/used in investing activities	10,152	6,891	3,160	2,917	-1,680
Of which investment in property, plant and equipment	-301	170	-1,312	-1,070	-1,409
Cash flow from financing activities	-20,809	-11,275	-13,724	-17,010	-17,626
Total cash flow from continuing operations	16,441	19,450	7,108	1,312	-974
Total cash flow from discontinuing operations	-	-	-1,517	-3,270	-23,00
Total cash flow	**16,441**	**19,450**	**5,591**	**-1,958**	**-997**

EUR'000	2018	2017	2016	2015	2014*
Key figures					
Gross margin before impairment	46.7%	47.7%	44.1%	39.9%	35.4%
EBITDA margin **	71.3%	69.6%	65.3%	62.0%	63.5%
EBIT margin ***	41.7%	40.8%	37.9%	25.6%	19.0%
Equity ratio	52.6%	49.6%	46.1%	46.3%	43.1%
Return on invested capital (ROIC)	5.6%	6.7%	6.3%	5.0%	-1.4%
Return on equity	2.3%	4.3%	2.8%	0.7%	-11.9%
Gearing ratio	0.4	0.6	0.8	0.8	0.9
Per share figures					
Average number of shares, 1000 shares	101,367.38	101,367.38	101,367.38	101,367.38	101,394.03
Number of shares at the end of the period, 1000 shares	101,367.38	101,367.38	101,367.38	101,367.38	101,367.38
Earnings per share (EPS basic), EUR before discontinued operations	0.05	0.09	0.11	0.04	-0.19
Earnings per share (EPS basic), EUR after discontinued operations	0.05	0.09	0.05	0.01	-0.24
Net asset value per share. EUR	2.09	2.07	1.96	1.89	1.87
Price/net asset value	0.40	0.55	0.45	0.46	0.52
Actual price earnings (P/E Basic)	17.14	13.14	16.08	66.23	neg.
Dividend per share	0.03	0.02	-	-	-
Payout ratio (%)	40%	40%	-	-	-
Market price. year end. EUR	0.84	1.14	0.88	0.88	0.98
Average number of employees	30	32	52	65	78
Number of employees	29	32	50	57	78
Of which consultants	1	1	1	1	5
Of which employees under notice	-	2	2	2	10
Key figures related to operations					
Production in GWh	368.5	373.9	372.4	368.7	400.2
of which Joint Ventures	55.8	60.5	74.0	76.0	94.0
Net capacity (MW)	213.5	238.6	254.0	251.2	257.9
of which Joint Ventures	49.5	49.5	49.5	54.4	61.1

Comparative figures have not been restated as a result of implementation of IFRS 9 and IFRS 15.

* Restated due to IFRS 5 - Discontinued operations (Income statement and Cash flow)
** Operation profit/loss before impairment excluding depreciations (Note 5) and income from investments in Joint Ventures
*** Before impairment and Special Items

TARGET ACHIEVEMENTS 2018 AND OUTLOOK FOR 2019

Solar conditions were stable during the year and generated a solar production in line with Athena's expectations. Nevertheless, considering the extraordinary conditions registered in 2017, the production delivered in 2018 by the Athena solar portfolio was lower than the prior year.

On the other hand, the Wind production generated in 2018 was generally affected by poor wind conditions. As a consequence, the performance registered in 2018 was slightly lower than expected.

Energy prices both for solar and wind sources in Italy and Spain maintained the high level already registered in 2017 reflecting a positive evolution in the energy mix in the Southern European countries.

Despite the overall operative performance of Athena being in line with expectations, the EBITDA registered in 2018 resulted higher than the Outlook published in March 2018 mainly due to unexpected extraordinary gains as the reimbursement of the property tax (IMU) paid in excess by Cerveteri solar plant in the previous years and some positive Insurance compensations received in the second half of 2018.

OUTLOOK 2019

MEUR	Actual 2017	Outlook 2018	Actual 2018	Restated 2018*	Outlook 2019*
Net production (GWh)	374	310 - 335	313	313	310 - 335
Revenue	56	48 - 51	52	52	49- 52
Revenue from Joint Ventures	10	8 - 9	9	9	8 - 9
Total revenue	**66**	**56 - 60**	**61**	**61**	**57 - 61**
EBITDA**	**39**	**32 - 35**	**37**	**38**	**34 - 37**
EBITDA from Joint Ventures	8	6 - 7	7	7	7 - 8
EBITDA including Joint Ventures ***	**47**	**38 - 42**	**44**	**45**	**41 - 45**
EBITDA margin including Joint Ventures	71%	68% - 70%	71%	74%	71% - 73%

EBITDA CALCULATION

EUR'000	2017	2018
Operating profit/loss before impairment	**23,023**	**21,587**
(-) Income from investments in Joint Ventures	-2,153	-2,037
(-) Total Depreciation and amortisation	18,438	17,334
EBITDA **	**39,308**	**36,884**
(+) Operating profit/loss before impairment Joint Ventures (pro-quota)	4,442	3,820
(-) Total Depreciation and amortisation Joint Ventures (pro-quota)	3,126	3,130
EBITDA including Joint Ventures ***	**46,875**	**43,834**

* Considering the impact of the new standard IFRS 16 in force from January 1, 2019 (for more details, please refer to Note 1).
** Adjusted for income from Joint Ventures.
*** Operation profit/loss before impairment excluding depreciations and income from investments in Joint ventures and including the EBITDA pro-quota of Joint Ventures."

EARNINGS FORECAST 2019

The expectations of Athena for the financial year 2019 are based on estimates and assumptions prepared in accordance with the recognition and measurement requirements of the International Financial Reporting Standards (IFRS) and the ordinary internal procedures for preparing the forecasts of the Company.

Management believes that the key assumptions underlying the financial outlook of the Company for 2019 are:

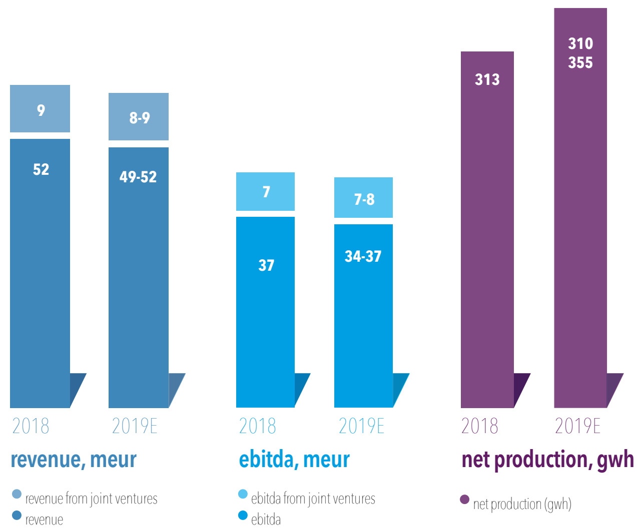
- Changes in perimeter;
- Weather conditions;
- Energy prices and evolution in regulations;
- Improvement in Operating Expenses control.

More specifically, the estimates are based on the following assumptions:

- No new business and or new capacity installed has been included;
- The production from wind projects is based on historical trends. The production from solar projects is based on minimum guaranteed contractual Performance Ratio, which is always below actual Performance Ratio;
- A stable trend of energy prices is expected, if compared to the average 2018;
- The Management has performed a thorough review of Operating Expenses and General & Administrative expenses and, based on 2018 experience, has identified some room for savings in the service contracts (approx. EUR 0.3M).

The Outlook for 2019 is positively impacted by the adoption of IFRS 16 with approx. EUR 1.3M at EBITDA level (including Joint Ventures). However, IFRS 16 has limited impact on the net result of Athena.
Excluding this change in the accounting rules and the extraordinary gains registered in 2018, the Outlook for 2019 is consistent with the results of the previous years.

Regarding the Company's expectations on the arbitration proceedings in Italy and Spain, for 2019 the Company does not expect to receive any proceedings from the awards unless Italy and Spain voluntarily comply.



FINANCIAL REVIEW

CHANGES IN PERIMETER OF CONSOLIDATION

As already disclosed in the Annual Report 2017, in December 2017 Athena sold its Danish wind farms (15.5 MW) and signed an agreement for the sale of its German wind farm Gehlenberg (23.4MW) with closing in January 2018 (Company Announcement No 2/2018). Furthermore, as announced in Company Announcement No. 13/2018, in November 2018 Athena sold its Polish wind farm Polczyno (1.6MW) to a private Polish investor.

In order to rationalise the Company's corporate structure, during the first semester of 2018 a corporate restructuring was implemented through mergers and contribution of shares with the aim of creating a subholding company containing all solar and wind assets.

REVENUE

Revenue generated in 2018 was EUR 51.7M compared to EUR 56.4M in 2017 (-8%). Considering the Joint Ventures, the revenue generated in 2018 was EUR 60.8M compared to EUR 66.1M in 2017. Revenue generated in H2 was EUR 24.5M compared to EUR 28.0M in H2 2017 (-13%). The changes in perimeter occurred in 2017 (sale of Danish and German wind farms, fully consolidated in 2017) negatively impacted Revenue for EUR 3.4M.

Nevertheless, excluding the perimeter effect, Revenue in 2018 was still lower by EUR 1.3M (-2%) compared to 2017 where extraordinary solar conditions were registered.
In terms of energy prices, 2018 confirmed the high level of prices: both in Italy and Spain, the yearly average price registered in the energy spot market was higher respectively by 7 €/MWh and 5 €/MWh compared to 2017.

The table below shows a detail of the consolidated revenue for 2018 compared to 2017, by technology and by country.

REVENUE

(EUR'000)	Full year 2018	Full year 2017	VAR. %
WIND			
Denmark	-	955	-100.0%
Germany	-	2,466	-100.0%
Poland	174	190	-8.2%
Spain	6,881	6,804	1.1%
Italy	21,805	21,756	0.2%
Total Wind	**28,860**	**32,171**	**-10.3%**
SOLAR			
Italy	15,736	17,152	-8.3%
Spain	6,791	6,749	0.6%
Total Solar	**22,527**	**23,901**	**-5.7%**
Other	**352**	**371**	**-5.2%**
Total	**51,739**	**56,443**	**-8.3%**
Joint Ventures	**9,026**	**9,645**	**-6.4%**
Total incl. Joint Ventures	**60,765**	**66,087**	**-8.1%**

EBITDA

The EBITDA* generated in 2018 was EUR 36.9M compared to EUR 39.3M in 2017 (-6%). Considering the Joint Ventures, the EBITDA generated in 2018 was EUR 43.8M compared to EUR 46.9M in 2017 (-7%). The EBITDA generated in H2 2018 was EUR 16.6M compared to EUR 19.0M in H2 2017 (-13%).

The already mentioned changes in perimeter negatively impacted the EBITDA for EUR -2.3M. Excluding the change in perimeter:

- 2018 was positively impacted by a capital gain of EUR 0.5M generated by the sale of Gehlenberg and a capital loss of EUR 0.7M related to the sale of Polczyno. Additionally, the reimbursement of the property tax (IMU) paid in excess by Cerveteri solar plant in the previous years and some Insurance compensations positively contributed at EBITDA level for EUR 1.2M. Both the above-mentioned capital gain/loss and the reimbursements are included in Other operating income/losses which overall amounted to EUR 1.1M€ compared to EUR -0.2M in 2017.
- The Revenue effects already explained in the previous paragraph contributed negatively at EBITDA level for EUR 1.3M.
- Operating expenses and G&A costs resulted slightly higher (EUR 0.3M) than the previous year due to some extraordinary maintenances.

The EBITDA margin for Athena including Joint Ventures was 71%, in line with 2017.

* Operation profit/loss before impairment excluding depreciations (Note 5) and income from investments in Joint Ventures.

IMPAIRMENT

In connection with the preparation of the Annual Report 2018, the Board of Directors and the Management have reviewed the activities of the Company. The long-term industrial plan has been the basis for the preparation of the impairment test for the goodwill, intangible and tangible assets, for each plant. For the calculation of the discount factor (WACC) applied in the valuation of the assets, the Management of Athena has taken a balanced approach applying a 360-day average risk-free interest rate in order to reduce the high volatility which has characterized the Italian political and economical scenario. Considering the current regulatory framework, a specific risk premium for Spain (Wind and Solar technologies) has been included. The outcome of the impairment test for 2018, is a write-off of EUR 3M allocated to Energia Verde wind farm. This is mainly due to the increase in WACC, based on the increase of the Italian government bonds and an overall decrease in long-term price expectations (for more details refer to Note 14). Furthermore, EUR 0.6M have been recognised as impairment of receivables related to the non-current financial credit.

NET FINANCIALS

Net financials for 2018 amounted to EUR -9.3M compared to EUR -11.2M in 2017 which corresponds to a change of EUR 1.9M. The decrease is mainly explained by the reduction of interest expenses (EUR 0.8M) because of the progressive decrease in the debt towards Credit Institutions and by the lower impact of the amortised borrowing cost (EUR 0.7M). Additionally, the refinancing of Energia Alternativa generated extraordinary expenses of EUR 0.4M in 2017 due to the close-out of the hedging instruments and the amortised borrowing costs.

RESULT

The result of the year 2018 is a profit of EUR 4.9M compared to EUR 8.8M registered in 2017. As already mentioned, Net Financials positively decreased by EUR 1.9M compared to last year while the EBITDA generated in 2018 was lower by EUR 2.4M compared to 2017, mainly due to the impact of the changes in perimeter. Nevertheless, the changes in perimeter positively impacted for EUR 1.0M Amortization and Depreciation. Income from investments in Joint Ventures was lower by EUR 0.1M compared to 2017 mainly due to the Monte Grighine wind farm which performed below expectations. Additionally, the Impairment of Energia Verde's assets and the impairment of the non-current financial credit to EDF Polska negatively affected the profit for the year, respectively for EUR 3.0M and for EUR 0.6M. In 2018, Taxes were higher by EUR 0.6M compared to the previous year mainly due to the Sale Tax paid for the disposal of Gehlenberg. The result generated in H2 2018 was a loss of EUR 0.5M compared to a profit of EUR 3.9M in H2 2017.

CASH FLOW

The total cash flow for 2018 amounted to EUR 16.4M compared to EUR 19.5M in 2017. It's worth mentioning that 2017 benefited from the positive contribution of the refinancing of Energia Alternativa wind farm finalised in April 2017 (approx. EUR 9.4M€). The cash flow from operating activities amounted to EUR 27.1M compared to EUR 23.8M in 2017. The increase is mainly due to the the improvement in the change in Working Capital registered in 2018. Cash flow from investing activities amounted to EUR 10.2M compared to EUR 6.9M in 2017 and includes the dividends distributed and the loan repayment from Monte Grighine of respectively EUR 1.7M and EUR 1.1M (EUR 3.5M in 2017) and the proceeds related to the sale of the German and Polish wind farms of approx. EUR 7.7M composed of the price received of EUR 9.4M net of the cash available in the project companies at the beginning of the year of EUR 1.7M. Cash flow from financing activities amounted to EUR -20.8M as a result of different items: the usual instalment of debt to Credit Institutions for EUR -18M, the decrease in other financial receivables of EUR 0.8M and the dividends distributed to Athena's shareholders for EUR -3.5M.

TOTAL ASSETS

The change in total assets from EUR 422.5M in 2017 to EUR 403.3M in 2018 is mainly composed of the yearly depreciation of the plants, the sale of investments, the impairment of assets, partially compensated by the increase in the total cash mainly due to the positive cash generation of the year.

TOTAL LIABILITIES

In 2018, the positive net result of the year net of EUR 3.5M distributed to Athena's shareholders, generated an increase in the total equity of EUR 2.8M. Current and Non-current liabilities decreased by approximately EUR 21M as a result of the normal decrease in the debt towards Credit Institutions including the reduction in the fair value of the financial instruments.

COMMENTS TO PARENT COMPANY FINANCIAL STATEMENTS

The result for the year is a loss of EUR -6.4M compared to a profit of EUR 9.7M registered in 2017. The above-mentioned changes in perimeter negatively impacted the Net Result for EUR 0.5M of which EUR 0.2M related to the disposal of the Danish wind farms and EUR 0.3M related to the Sales Tax paid for the sale of Gehlenberg. Additionally, the Impairment investments in subsidiaries and the non-current financial credit to EDF Polska negatively impacted the profit for the year respectively for EUR 5.1M and EUR 0.6M. The financial activities resulted lower for EUR 9.8M compared to 2017. It's worth mentioning that in 2017 Athena benefited from an extraordinary dividend of EUR 9.1M related to the refinancing of Energia Alternativa wind farm. The total costs, including G&A and operating expenses, were in line with 2017.

EVENTS AFTER THE BALANCE SHEET DATE

Regarding the Spanish arbitration procedure, the Kingdom of Spain has commenced an action with the SVEA Court of Appeal in order to overturn the Award The SVEA Court has granted an extension of the Appeal process until 10 May 2019. The Company is currently challenging such appeal and, in the meanwhile, has started the confirmation procedure of the Award according to the 1958 New York Convention for its further enforcement.
Regarding the Italian arbitration procedure, at date, the Republic of Italy hasn't voluntarily complied with the Award. The Company is therefore currently filing the Petition to Confirm the Arbitration Award according to the 1958 New York Convention for its further enforcement.

ATHENA'S ACTIVITIES

Athena's current portfolio consists of projects in wind and solar technologies, located in 2 different countries: Italy and Spain. At the end of 2018, Athena's total gross capacity amounted to 263 MW divided in 222 MW of wind farms and 41 MW of solar plants.

As disclosed in Company Announcement No. 02/2018, in January 2018 Athena completed the transaction for the sale of its German wind farm Gehlenberg to Energiequelle. Following the sale of the German turbines, Athena no longer owns renewable energy plants in Germany.

As disclosed in Company Announcement No. 14/2018, in November 2018 Athena completed the transaction for the sale of its Polish wind farm located in Polczyno. Following the sale of the Polish turbines, Athena no longer owns renewable energy plants in Poland.

In 2018, the combined production of the wind and solar activities reached 366 GWh (gross) and 311 GWh (net). The production realised in 2018 was in line with 2017.

Overall, in 2018, Athena's wind and solar assets have delivered a combined production slightly lower than the Outlook announced in the Annual Report for 2017, primarily due to the less favourable and unstable wind and solar conditions in Italy and Spain during the year.

PRODUCTION CAPACITY

(MW)	31.12.18		31.12.17	
	Gross	Net	Gross	Net
WIND				
Germany*	-	-	23.4	23.4
Poland**	-	-	1.6	1.6
Italy	192.2	142.8	192.2	142.8
Spain	30.0	30.0	30.0	30.0
Total Wind	**222,2**	**172.8**	**247.2**	**197.8**
SOLAR				
Italy	31.0	31.0	31.0	31.0
Spain	9.8	9.8	9.8	9.8
Total Solar	**40.8**	**40.8**	**40.8**	**40.8**
Total	**263.0**	**213.5**	**288.0**	**238.6**

* As disclosed in Company Announcement n.02/2018, on 18 January 2018 Athena sold its German wind farm Gehlenberg to Energiequelle.

** As disclosed in Company Announcement n.14/2018, on 8 November 2018 Athena sold its last operating wind farm in Poland to a private Polish Investor.

	PRODUCTION 2018		PRODUCTION 2017	
	Gross	Net	Gross	Net
WIND				
Poland*	2,068	2,068	3,172	3,172
Italy	249,241	193,415	255,858	195,365
Spain	59,210	59,210	60,600	60,600
Total Wind	**310,519**	**254,693**	**319,630**	**259,137**
Solar				
Italy	42,874	42,874	48,006	48,006
Spain	15,060	15,060	15,973	15,973
Total Solar	**57,934**	**57,934**	**63,979**	**63,979**
Total	**368,453**	**312,627**	**383,609**	**323,116**

* As disclosed in Company Announcements n.14/2018, in November 2018 Athena sold its last operating wind farm in Poland to a private Polish Investor.

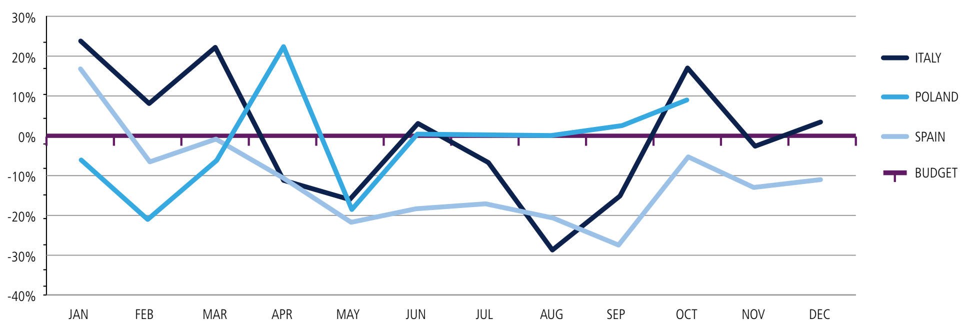
WIND

At the end of 2018, Athena's operational wind portfolio amounted to 222 MW (gross), distributed on 5 plants in Italy and Spain. The operational wind portfolio reached a total net production of approx. 255 GWh in 2018: a decrease of 2% compared to 2017. The full-year wind production generated in 2018 was generally affected by poor wind conditions prevailing in the Company's markets causing a performance 4% lower than budget.

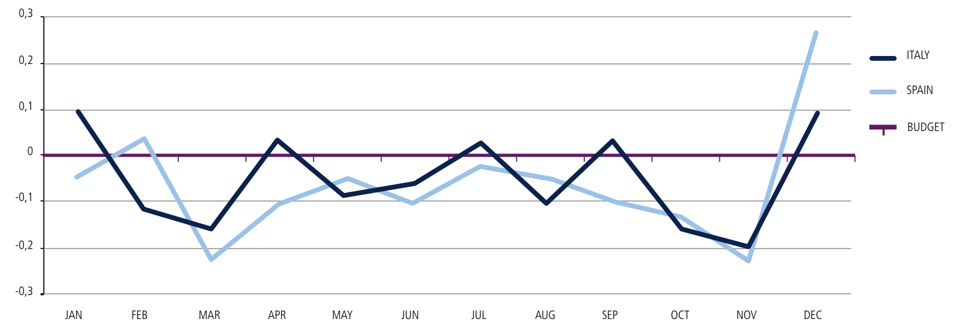
SOLAR

At the end of 2018, Athena's solar production capacity amounted to approx. 41 MW (gross and net), distributed on 15 plants located in Italy and Spain. The full-year net solar production reached 58 GWh, which is in line with estimates and 9% lower than the 2017 level. Solar irradiation for 2018 in general was 5% lower than expected in Italy and 7% lower than forecasted in Spain.

difference in wind conditions compared to budget



difference in solar irradiation compared to budget



Monte Grighine | ITALY

COUNTRIES

ITALY

Italy has different incentive systems for the various renewable energy sources.

Wind sector

Starting from January 2016, for plants entered into operation before 31st December 2012 a feed-in-tariff (FiT) system replaced Green Certificates (GC).

The FiT is calculated with the same formula of the previous GC, but it is based on the average electricity price of the previous year, instead of the one of the current year. The total amount of the remuneration is still granted by the new FiT + current market price. Being operative before 2013, the whole Athena wind portfolio in Italy is now under the new FiT regime.

In order to maximise its value, in 2018, the energy produced was sold through a power purchase agreement (PPA) to private counterparts with good credit ratings.

WIND ITALY

Project	Type of turbine	Gross capacity MW	Commissioned	Ownership	Output 2018 (MWh, gross)	Output 2018 (MWh, net)	Average FiT* 2018 (€/MWh)	Average electricity price 2018 (€/MWh)
Monte Grighine	Nordex	98.9	Jun 10	50%	111,652	55,826	98.95	59.32
Minerva Messina	Nordex	48.3	Jun 10	100%	84,198	84,198	95.95	62.58
Energia Alternativa	Nordex	24.0	Nov 12	100%	26,792	26,792	95.95	59.20
Energia Verde	Nordex	21.0	Jul 07	100%	26,599	26,599	95.95	58.64
Italy		**192.2**			**249,241**	**193,415**		

*FiT = feed-in-tariff

Solar sector

Starting from 6th July 2013, no more incentives are available for new-established plants.
As all Athena's solar plants entered into operation before 6th July 2013, they benefit from a FiT system.
On 11th August 2014, Law no.116/2014, the so called "Spalma Incentivi" was issued, which changed retroactively the renewable energy framework cutting the agreed feed-in-tariffs*.

* Law no.116/2014, the so called "Spalma Incentivi" changed retroactively the payment conditions cutting the feed-in-tariffs of plants with nominal capacity above 200 kW, through three different options to be chosen by the companies. Athena's Management chose the fixed reduction option, which reduces the FiT by 6-8% depending on the plants' capacity, for the remaining incentive period.

In July 2015, the Company initiated an arbitration procedure under the Energy Charter Treaty ("ECT") against the Republic of Italy to claim damages generated by the changed renewable energy framework. These changes negatively affected the value of the investment made in the previous years in the solar technology and infringed article 10 of the ECT. At that time, the Company owned photovoltaic plants for a total installed capacity of 31MW.
In December 2018, the Company was granted the final award for this arbitration with a very positive outcome (see Company Announcement No. 21/2018). The award covers the damages, the cost of the arbitration procedure and half of other arbitration-related expenses and interests.
At date, the Republic of Italy hasn't voluntarily complied with the Award. The Company is therefore currently filing the Petition to Confirm the Arbitration Award according to the 1958 New York Convention for its further enforcement. Consequently, the Company has not recognised the award of the arbitration as income.

In order to maximise its value, in 2018, the energy produced was sold through a power purchase agreement (PPA) to private counterparts with credit ratings.

Solar Plants

The Italian solar PV plants receive the FiT set by the First Energy Account (DM 28/7/2005 - DM 6/2/2006), the Second Energy Account (DM 19/2/2007), the Third Energy Account (D.Lgs. 6/08/2010) and the Fourth Energy Account (DM 05/07/2012), revised by the flat cut of 6-8% applied by the 2014' "Spalma Incentivi".

SOLAR ITALY

Project	Type	Gross capacity MW	Commissioned	Ownership	Output 2018 (MWh, gross)	Output 2018 (MWh, net)	Average FiT* 2018 (€/MWh)	Average electricity price 2018 (€/MWh)
Nardò Caputo	fixed	9.8	Apr 11	100%	12,559	12,559	273	58
Cerveteri	fixed	8.7	Feb 11	100%	12,643	12,643	318	60
Vaglio 2	Biaxial tracking	2.0	Dec 09/Feb 10	100%	2,668	2,668	350	41
Vaglio 1	Biaxial tracking	1.0	Apr 09	100%	1,453	1,453	460	41
Montemesola	fixed	1.0	Jun 12	100%	1,305	1,305	169	58
De Marinis	fixed	1.0	Mar 11	100%	1,290	1,290	318	57
Ferrante	fixed	1.0	Apr 11	100%	1,429	1,429	289	57
Torremaggiore	Biaxial tracking	1.0	Dec 09	100%	1,608	1,608	325	59
Ugento 1	fixed	1.0	Dec 09	100%	1,272	1,272	325	57
Ugento 2	fixed	1.0	Apr 11	100%	1,304	1,304	318	58
Alessano Bortone	fixed	1.0	Dec 09	100%	1,352	1,352	325	58
Nardò Nanni	Mono-axial tracking	1.0	Oct 09	100%	1,450	1,450	325	58
Mercurio	Biaxial tracking	1.0	Apr 11	100%	1,616	1,616	318	66
Alessano Strutture	Fixed-tilt on roof	0.7	Apr 11	100%	925	925	397	58
Italy		**31.0**			**42,874**	**42,874**		

*FiT = feed-in-tariff

Conesa | SPAIN

SPAIN

In Spain, Law 24/2013, changed retroactively the FiT system setting the return granted to the renewable energy plants already in operation at 7.4%, and at 7.5%. For the new plants, RES producers receive therefore a specific compensation based mainly on the initial investment.
In November 2015, the Company initiated an arbitration procedure under the Energy Charter Treaty against the Kingdom of Spain in order to claim damages generated by the changes in the renewable energy framework. These changes negatively affected the value of the investment made in the previous years in the solar technology and infringed article 10 of the ECT. At that time, the Company owned photovoltaic plants for a total installed capacity of 6.7MW.
In November 2018, the Company was granted the final award for this arbitration with a very positive outcome (see Company Announcement No. 17/2018). The award covers damages, the cost of arbitration and certain costs incurred by the Company. Also, the award grants the Company the payment of interest on the damages assessed from June 30, 2014 to the date of the final payment of the award. The Kingdom of Spain has commenced an action with the SVEA Court of Appeal in order to overturn the Award. The Company is currently challenging such appeal and, in the meanwhile, has started the confirmation procedure of the Award according to the 1958 New York Convention for its further enforcement. Consequently, the Company has not recognised the award of the arbitration as income.

In 2018, Spain has launched an ambitious plan to switch its electricity system entirely to renewable sources by 2050 and completely decarbonise its economy soon after. In October 2018, Spain's Council of Ministers has approved a package of measures to speed up the country's energy transition (Royal Decree-Law 15/2018), including suspending for six months the 7% levy on power generation that halted Spain's booming renewables sector earlier this decade.
In January 2019, the Spanish Government endorsed a Draft Bill reflecting a reasonable yield of 7.09% for the next regulatory period which will be applicable to the lifespan ("vida útil regulatoria") of the relevant project. Furthermore, through the Draft Bill, the Government intends to send a positive sign to international investors in order to stop new arbitration proceedings against Spain or discontinuing the ongoing ones. In particular, for those renewable energy plants that benefitted from the feed-in tariff prior to the enactment of Royal Decree-Law 9/2013, the reasonable yield that was calculated for the first regulatory period (i.e. until 31 December 2019) will be applicable to the next two regulatory periods. Moreover, the Draft Bill comprises a relevant remuneration based on the difference between the Ensured Reasonable Yield and the Renewables Reasonable Yield deducting from such difference any damages or compensations granted by the arbitration award.
The Draft Bill has no impact on the fair value of Athena's assets as it has been already implemented in Athena's business plan assumptions.


La Castilleja | SPAIN

Wind Farms

In Spain, wind farms are granted a fixed investment remuneration per MW installed, variable for each plant RI (Retribucion a la inversion) + the energy Market Price.
In order to maximise its value, in 2018, the energy produced was sold through a power purchase agreement (PPA) to private counterparts with credit ratings.

Solar Plants

In Spain, solar plants are granted a fixed investment remuneration per MW installed, variable for each plant RI (Retribucion a la Inversion) + a fixed remuneration per MWh produced: RO (Retribution a la Operation) + the energy Market Price.
In order to maximise its value, in 2018, the energy produced was sold through a power purchase agreement (PPA) to private counterparts with primary ratings.

WIND SPAIN

Project	Type of turbine	Gross capacity MW	Commissioned	Ownership	Output 2018 (MWh, gross)	Output 2018 (MWh, net)	Average tariff 2018 (€/MWh) Fixed remuneration + electricity price
Conesa	Gamesa	30	Aug 09	100%	59,210	59,210	131

SOLAR SPAIN

Project	Type	Gross capacity MW	Commissioned	Ownership	Output 2018 (MWh, gross)	Output 2018 (MWh, net)	Average tariff 2018 (€/MWh) Fixed remuneration + electricity price
La Castilleja	fixed	9.8	Sep 08	100%	15,060	15,060	451

RISK MANAGEMENT

Risks are inherent to any business activity. Through constant monitoring, data collection, analysis and reporting, a structured risk management approach is applied with the aim of reducing risks to an acceptable level.

RISKS RELATED TO CURRENT ACTIVITIES

Through geographical diversification with operations in currently 2 countries and diversification within 2 different technologies, Athena seeks to manage the overall and particular risks in order to reduce the uncertainty related to any potential issue in a specific market or technology.

The overall risk categories related to Athena's business activities are presented in the table aside. The list is not exhaustive and categories are not presented in order of priority or significance:

Operating risks

- Weather conditions
- Mechanical operation
- Credit related to the off-taker
- Regulation
- Variation in energy price

Acquisition risks

- Access to and possibility of information verification
- Regulatory requirements
- Possibility of transfer of rights/financing
- Determination of acquisition price and price structure
- Expenses incurred for acquisition activities

General risks

- Human capital
- Interest rate evolution
- Exchange rate evolution
- Insurance
- Project financing

Risks may have substantial impact on a company's earnings, financial position and achievements of other objectives. Presented below are some operating risks assessed by Athena as inherent to the actual business (weather conditions) or actualised in the recent past (political risks related to regulatory changes of economic regimes and subsidies as well as variations in energy prices).

Weather conditions

Athena's operational activities are, inevitably, exposed to variations in weather conditions, which may impact the production and ultimately the earnings of each plant. Athena's activities within complementary technologies reduces this risk. In addition, in order to minimise the risks related to the business forecasts, Athena only applies a realistic approach in terms of wind conditions and irradiation when forecasting the production.

Regulation

In recent years, Athena has been exposed to a number of regulatory changes regarding subsidies and settlement terms of renewable energy projects in the Company's markets: Italy and Spain. With retroactive replacement of the support scheme applicable to renewable energy generation, tax measures, elimination of minimum guaranteed prices and changes in feed-in tariffs, Athena's profitability has been negatively impacted by a number of factors with limited possibilities of counteracting. To mitigate the negative consequences of the changes, in 2015, Athena initiated two arbitration procedures under the Energy Charter Treaty against respectively the Republic of Italy and the Kingdom of Spain. In November 2018, the Company was granted the final award for the arbitration against the Kingdom of Spain with a very positive outcome (see Company Announcement No. 17/2018) and it is currently challenging the appeal. The Kingdom Spain has commenced an action with the SVEA Court of Appeal in order to overturn the Award.
In December 2018, the Company was granted the final award for the arbitration against the Republic of Italy with a very positive outcome (see Company Announcement No. 21/2018). As the Republic of Italy hasn't voluntarily complied with the Award, the Company is currently filing the Petition to Confirm it. Potential further regulatory changes or variations in settlement terms or prices in Athena's markets may affect the Company's projects.

Variation in energy price

In addition to regulatory changes of the support regime settlement, the evolution of the market price of energy may affect the Company's revenue. In 2018, energy prices were generally at an unexpectedly higher level than anticipated in Spain and especially in Italy, a trend in line with 2017. Athena carefully monitors the price trend and acquires qualified forecasts on a regular basis in order to align forecast data to market ones.

Project financing

The production of energy is a capital intense business requiring financing provided largely by credit institutions. Therefore, the optimisation of the capital structure of the Company is a key element of the overall performance of the business. For each project, the Company makes an assessment of the maximum leverage to obtain from the credit institutions subject to the performance of the project. The higher the leverage, the higher the internal rate of return of each project. But an excessive leverage could also lead to a breach of covenants or a reduced cash flow to the shareholder when the performance of the project is affected by operating risks such as poor weather conditions or a decrease in energy price. Athena has a number of existing material financing contracts which could impact the transferability in the event of a takeover. A change in ownership and control on the project companies could impact the current financing agreements. A potential new owner should be accepted by the financing parties in order to avoid the anticipated reimbursement of the outstanding debt. Should the potential owner neither be accepted by the current financing parties nor be able to find new financing parties, the ownership of the assets would be transferred to the current financing parties.

RISKS RELATED TO POTENTIAL FUTURE ACTIVITIES

In 2017, the Company changed its name and objects with the aim of diversifying the business activities while also limiting the risk exposure through focus on investments in segments or sectors less capital-intensive compared to renewable energy production. The future risk profile of Athena will depend on the actual future activities; however, it is a clear priority of the Company to preserve a balanced risk exposure to ensure long-term value creation and stable growth.

For further disclosure on Risk Management, please refer to Note 3 of the Financial Statements.

CORPORATE GOVERNANCE

The Board of Directors and the Management Board of Athena consider the development of the management model and the organisation to be an ongoing process adjusted as needed with due consideration to the Company's activities, business environment, statutory requirements and general practices. During this continuous process, Athena addresses the recommendations of Corporate Governance as a tool contributing to ensure reliable information, transparency and insight into the business for our stakeholders.

GOVERNANCE STRUCTURE

Shareholders and annual general meetings

The General Meeting is the supreme authority of the Company. Resolutions are made by a simple majority of votes, unless legislation prescribes special rules on representation and majority. The Articles of Association of Athena, available on the Company's website, contain information about the notice of the general meeting, shareholders' rights to submit proposals and have specific subjects considered on the agenda, admission and voting rights. In 2018, Athena held its Annual General Meeting on 24 April. The next Annual General Meeting is scheduled for 23 April 2019.

Board of Directors

The Board of Directors is responsible for the overall management of the Company, including the appointment of a Board of Management, determination of strategy, action plans, targets and budgets, and also the definition of the principles for risk management and control procedures, etc.

Board authorisations

Under the Articles of Association, the Board of Directors has been granted authorisation, which remains in force until 26 April 2022, to increase the nominal share capital in one or more issues by up to DKK 150,000,000, corresponding to 30,000,000 shares of DKK 5.

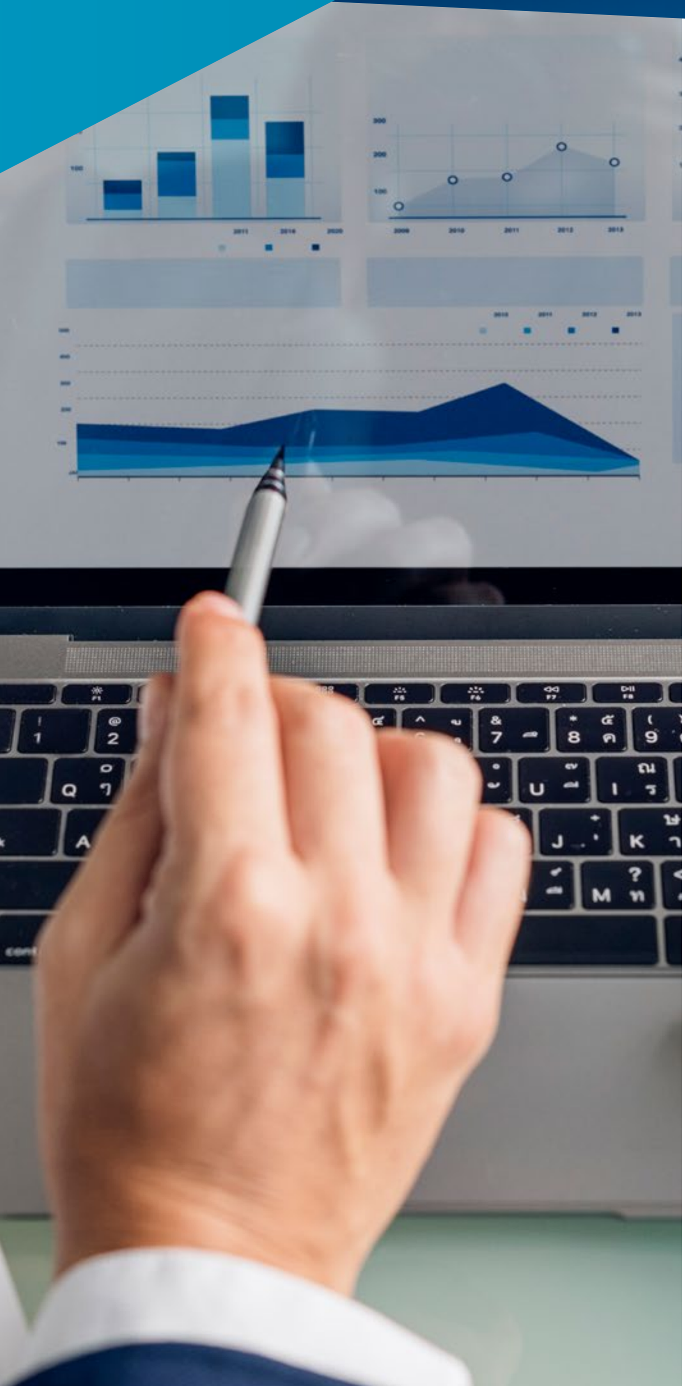
In addition, the Board of Directors holds the authority to extend the existing authorisations to issue convertible debt instruments in articles 4b(i) and 4b(ii) of the articles of association. Consequently, the Board of Directors is authorised until 24 April 2023 to increase the Company's share capital in one or more issues, respectively without and with pre-emptive rights for the Company's shareholders, by up to nominally DKK 50,000,000 by converting the convertible debt instruments.

In connection with the exercise of the authorisations in sections 4b(i) and 4b(ii) of the articles of association, the Board of Directors cannot, however, increase the share capital of the Company by more than a total of nominally DKK 50,000,000.

The Board of Directors, moreover, has been authorised for one year by the latest General Meeting to let Athena acquire treasury shares for a total holding of up to 10% of the share capital. By year-end 2018, Athena holds an amount of treasury shares corresponding to 4.96 % of the share capital (unchanged from the end of 2017). The portfolio of treasury shares is held for M&A opportunities.

Board practices

The Board of Directors meets on a regular basis according to a work and meeting calendar with five scheduled annual meetings and otherwise if required. 6 meetings were held in 2018 including conference calls. Ordinary Board meetings have a predetermined agenda under which operation and performance are discussed and current issues and new projects are considered and approved. The Board of Directors reviews its rules of procedure on a regular basis and checks that the framework and procedures are in order. Risk management, capital and share structures



are also items on the agenda. The Annual Report is reviewed at the meeting in March, where accounting policies and audit process are also reviewed and discussed together with the Auditor, without the Management Board being present. Moreover, the Board of Directors has implemented a self-assessment procedure with the aim of evaluating, on an annual basis, the contributions and results of the Board of Directors and the individual members as well as the Management Board.

Composition and independence

The Board of Directors currently consists of five members elected at the Annual General Meeting with a broad composition of skills and experiences. Board member mandates are subject to renewal every year. No board member is elected by and among the employees since the Parent Company, Athena Investments A/S, has not met the threshold of having more than 35 employees.
At the latest Annual General Meeting held on 24 April 2018, the five incumbent members of the Board of Directors were re-elected while Mr. Sigieri Diaz della Vittoria Pallavicini and Mr. Alessandro Rovati were elected as new members to the Board of Directors. Sigieri Diaz della Vittoria Pallavicini has been previously employed by the Company as CEO and there are no current transactions between the Company and the Board of Directors, excluding remuneration as Members of the Board. On 13 November 2018, Mr. Luca Rovati and Mr. Alessandro Rovati resigned from their position respectively as Chairman and member of the Board of Directors of the Company for personal reasons. In terms of independence, as defined in the Corporate Governance recommendations, 1 out of 5 current Board members (Mr Sigieri Diaz della Vittoria Pallavicini) is considered non-independent as he indirectly represents Athena's controlling shareholder SDP RAIF - Genesis. For a presentation of the members of the Board of Directors, please refer to the section "Board of Directors and Board of Management".

Board of Management

The Board of Management is appointed by the Board of Directors which sets the guidelines and terms for the Board of Management to perform its duties. The Board of Management implements the strategy and is in charge of the day-to-day management, organisation and development of Athena, management of assets and liabilities, bookkeeping and reporting. Its performance is evaluated by the Board of Directors.

The Board of Management consists of:

ALESSANDRO REITELLI
Chief Executive Officer

FRANCESCO VITTORI
Chief Financial Officer

STATUTORY STATEMENT ON CORPORATE GOVERNANCE

The Board of Directors of Athena employs the recommendations of the Committee on Corporate Governance (available on www.corporategovernance.dk) as an important source of inspiration in its efforts. A detailed review of Athena's position on all the recommendations as well as a description of the internal control and risk management system relating to the financial reporting can be found in the statutory report on corporate governance pursuant to section 107b of the Danish Financial Statements Act which is available on Athena's website, www.athenainvestments.com, under "Investor", "Corporate Governance" (http://athenainvestments.com/investor/corporate-governance/).

According to the recommendations issued by the Committee on Corporate Governance in November 2017, companies must explain any noncompliance. Athena fully complies with the vast majority of the recommendations, but has opted to derogate from six of the 47 recommendations as described below:

- Considering that the current business activities of Athena have a stable and recurring trend over the year and that, since November 2015, the publication of quarterly reports is no more mandatory, the Company has decided to publish only H1 results and the Annual report. Athena also publishes monthly announcements disclosing the production realised and other material events in order to keep its stakeholders, including shareholders and other investors, informed on a regular basis (**Recommendation 1.1.3**).

- Due to the Company's size, Athena has so far not deemed necessary to set up specific committees under the Board of Directors. Instead, Management has relied on special skills and know-how held by members of the Board of Directors in respect of specific projects. The Board of Directors jointly functions as the Audit Committee (**Recommendations 3.4.1; 3.4.6; 3.4.7**).

- Athena has not incorporated policies which ensure the possibility for reclaim, in full or in part, variable components of remuneration that were paid on the basis of data which proved to be manifestly misstated (**Recommendation 4.1.2**).

- The combined remuneration of the Management Board is disclosed in note 5 of this Annual Report. Considered in accordance with practices applied in comparable companies, the remuneration granted to each member of the Management Board is not disclosed in the Annual Report. The remuneration of the Management Board is in line with the remuneration guidelines and no material retention or severance programmes are currently applied (**Recommendation 4.2.3**).

REMUNERATION POLICY

Remuneration for the Board of Directors and the Management Board is based on the "General guidelines for incentive pay", approved by the shareholders at the Annual General Meeting of 23 April 2008, which is available on Athena's website. The Board of Directors approves remuneration for the Board of Management within the framework of the guidelines. In 2018, the only incentive element applied for the remuneration of the Management Board members was a potential bonus based on a fraction of the annual salary. Remuneration for the Board of Directors is approved by the shareholders at the General Meeting.

The Board of Directors is empowered with an authorisation to issue up to 5,000,000 warrants (nominal share capital of DKK 25,000,000) in one or more issues with expiry on 26 April 2022 in accordance with the "General guidelines for incentive pay" and article 4c of the Articles of Association. The Board of Directors has not exercised this authorisation in 2018.

ORGANISATION

In 2018, there were no significant changes. Staff is well organized and carries out its work professionally.

As of 31 December 2018, the Athena Investments Group totalled 29 employees (full-time equivalent). The distribution by geography and by technology is presented in the tables aside.

As of 31 December 2018, the average age of the employees is about 40,9 and the average seniority with the Company is about 6,5 years.

Furthermore, please find a distribution by gender:

At year-end 2018, the managerial positions below top-management level in the Company were covered by respectively 33% male managers and 67% female managers.

HEADCOUNT BY GEOGRAPHY

DENMARK	4
ITALY	25
Total	**29**

HEADCOUNT BY GENDER

Female	19	66%
Male	10	34%
Total	**29**	100%

BY TECHNOLOGY

	Wind		Solar		Holding		Total	
	4Q 2018	4Q 2017	**4Q 2018**	4Q 2017	**4Q 2018**	4Q 2017	**4Q 2018**	4Q 2017
Average number of employees	**4.00**	4.3	**2.80**	3.0	**23.10**	25.0	**29.90**	32
Number of employees (end of period)	**4**	4.0	**3**	3.0	**22**	24.5	**29**	31.5
- of which consultants	**0**	0.0	**0**	0.0	**1**	1.0	**1**	1
- of which employees under notice	**0**	1.0	**0**	1.0	**0**		**0**	2

CORPORATE RESPONSIBILITY

Athena recognises the responsibility attached to being a player in society in a local, national and international context. Therefore, Athena remains attentive towards making efforts to ensure that its business activities are conducted in a financially, environmentally and socially viable manner by both complying with statutory requirements and considering voluntary corporate responsibility initiatives in the countries and communities in which Athena operates. Athena believes that responsible business behaviour is a precondition for long-term value creation for the Company and its stakeholders.

UN'S SUSTAINABLE DEVELOPMENT GOALS (SDG'S)

Countries worldwide have adopted a set of 17 goals and 169 related targets addressing the greatest challenges for our societies towards 2030 – the United Nations Sustainable Development Goals (SDGs). To reach the goals and to overcome the global challenges, all societal players, including individuals, businesses, public entities, NGO's and governments must engage themselves. As a responsible representative of the private sector, Athena is committed to promote this mission. The Company directly and indirectly supports a number of the goals and will continuously consider, how its business operations can contribute to reach the SDG's. In the table aside, Athena presents the SDG's which the Company currently considers most material in relation to its business activities and conduct.

SUSTAINABLE DEVELOPMENT GOAL (SDG)	ATHENA'S CONTRIBUTION TO THE SDG
7 AFFORDABLE AND CLEAN ENERGY	**Deployment of wind and solar** Athena contributes to increasing the share of renewable energy in the global energy mix through the Company's wind and solar activities.
13 CLIMATE ACTION	**Green energy production** Athena contributes to mitigating climate change through its generation of 100% green energy.
8 DECENT WORK AND ECONOMIC GROWTH	**Workplace safety** A safe workplace is a priority to Athena. Health and safety initiatives are implemented on the Company's operational sites to ensure injury and accident prevention.
5 GENDER EQUALITY	**Workforce diversity** Athena has a diverse workforce and remains committed to promoting equal opportunities for all employees, also at managerial levels of the Company.
16 PEACE, JUSTICE AND STRONG INSTITUTIONS	**Good business behaviour** Athena has practices and procedures in place to ensure behaviour compliant with statutory requirements and other ruling applied and to avoid inappropriate interactions with authorities and other stakeholders.

CLIMATE AND ENVIRONMENT

Athena directly addresses significant societal challenges through the Company's current core business of producing and selling renewable energy from wind and solar technologies, contributing to reduce the environmental and climate impact.

Based on a durable and profitable portfolio of renewable energy producing assets, Athena strives to generate and distribute clean energy production in order to preserve the environment and to contribute to a world sustainable growth.

Athena's contributed production of renewable energy provides immediate environmental advantages in terms of savings of fossil fuels and elimination of CO_2 emissions.

In 2018, the gross production generated by Athena's operating assets corresponded to the supply of approximately 104,000 families with non-polluting energy and saved the consumption of almost 420,000 barrels of oil.

Also, Athena's 2018 clean energy gross production corresponded to a reduction of approximately 165,000 tons CO_2 – equaling the elimination of emissions from almost 69,000 cars.

Over the last 10 years, the production of Athena's gross installed capacity supplied almost 1.271.000 families with non-polluting energy and saved the consumption of almost 5.205.000 barrels of oil corresponding to a reduction of approx. 2.021.000 tons CO_2 – corresponding to the elimination of emissions from almost 842,000 cars.

As Athena offers an alternative to the scarce and polluting power sources providing clean energy without emissions of hazardous particles or greenhouse gases, no special environmental risks are related to Athena's activities.

The Company, however, does care about the physical impact of its activities. Athena's projects are subject to environmental permits and at all project stages Athena is governed by comprehensive environmental legislation and rules which, through mandatory surveys and analyses, safeguard the surroundings of the Company's plants, i.e. flora and fauna, local households and the landscape.

Athena has no significant outstanding environmental issues with authorities, nongovernmental organisations or local households.

On average, Athena's wind operating assets are energy neutral within 15 months from the first connection – their "energy payback time". This means that within 15 months of operation, the turbines have generated the same amount of energy that has been or will be consumed for the development, construction, maintenance etc. of the plants during their 25-year lifetime.

Having compensated any related generation of pollution and CO_2 after 15 months, Athena's wind turbines, averagely, deliver a pure energy production during 95% of their lifespan.

Athena's operating solar projects are energy neutral within 37 months from the first connection. With an expected lifespan of 20 years, the solar assets provide fully clean energy during 85% of their lifespan.

ENERGY NEUTRALITY

Resource	Energy payback time	Lifespan	"Green" lifetime
Wind	15 months	25 years	95 %
Solar	37 months	20 years	85 %

In line with the low environmental impact of the Company's operating assets, Athena is not an energy intensive company from an administrative point of view: any greenhouse gas emissions are mainly related to heating and electricity use in our offices and with car, rail and air travel. Travel activities are limited to the extent possible and partly replaced by video or conference calls.

CLIMATE AND ENVIRONMENTAL ACHIEVEMENTS

	2018	2008-2018
GROSS PRODUCTION (kWh)	310,705,000	3,812,785,005
CLEAN POWER SUPPLY (n. of households)	103,568	1,270,928
EMISSION OF CO_2 AVOIDED (tons)	164,674	2,020,766
OIL SAVED (barrels)	424,143	5,204,833
CARS ELIMINATED	68,614	841,990

PEOPLE

Athena considers diversity an important asset and remains committed to ensuring equal opportunities and rights for employees and therefore does not tolerate discrimination or harassment based on religion, race, ethnicity, gender, age, sexuality, political opinion or other status.

Athena has a diverse workforce with a broad employee composition in terms of geographical and cultural background, gender and age distribution (see the paragraph "Organisation" for details on the composition of the employees).

Moreover, a safe and healthy workplace continues to be a priority for Athena. Particularly in the Company's wind and solar plants, severe health and safety procedures are implemented to secure the employees and minimise the risk of occupational accidents. Also, in 2018, these provisions have contributed to an injury- and incident-free working environment.

Diversity in management

Athena also maintains focus on encouraging diversity at managerial levels, an initiative which was introduced in 2013 with the policy on equal representation in management centered on gender distribution in the Board of Directors. In line with section 139a of the Danish Companies Act, the Board of Directors, thus, implemented a target figure for the proportion of women (the underrepresented sex). Despite continued efforts, reaching the goal of two 2 female board members elected by the General Meeting at the end of 2018 proved challenging, and the target has not yet been met: 1 woman , which corresponds to 20% of total Board members, elected at the Annual General Meeting currently holds a Board position. The Board of Directors remains ambitious on the topic and has confirmed the target figure to be fulfilled within 2022. The Board of Directors will, however, continue its efforts towards its realisation within the shortest possible time frame, maintaining obviously the primary criteria that any candidates proposed for the Board of Directors are selected considering their suitability based on professional and personals skills and competences.

Additionally, the Company has adopted policies regarding the proportion of gender at the other management levels of the Company:

Athena is still committed to working towards creating and maintaining equal opportunities for women and men at all management levels in the Company. In connection with all recruitment, including recruitment at management level, it is Athena's policy to fulfil the Company's requirements for employees with the necessary skills and competences, regardless of gender, age, ethnicity etc. When choosing between equally qualified candidates, the diversity among the employees shall be taken into consideration. In connection with recruitment for managerial positions it should be ensured, where possible, that the candidates invited for interview include both men and women.

At year-end 2018, the managerial positions below top-management level in the Company were covered by respectively 33% male managers and 67% female managers. This represents an equal gender distribution and reflects the gender composition of the employees.

ETHICS AND BEHAVIOUR

Transparency and compliance with national and international regulation and standards are considered cornerstones in Athena's business behaviour, and the Company is committed to conduct its activities in a lawful and conscientious way and perform its practices responsibly with due consideration and respect of internal and external procedures and guidelines. A code of ethics has been introduced for the majority of the Group companies which addresses relevant issues including corruption and bribery and prescribes the correct behaviour in interactions with the Company's internal and external stakeholders. More precisely, the External relations chapter of the Code of Ethics clearly specifies the Company's behaviour guidelines to employees for any gifts, benefits, money, goods or services and relationships with external advisors, suppliers, public authorities, politicians, any organisations and the media.
A system to increase awareness and of empowerment among the employees regarding the rules of conduct and business ethics has been implemented. During 2018, the Company did not face any breach of the code of ethic.

Athena operates in an international context, currently in two different European countries (Italy and Spain) which all constitute fairly limited risk factors in terms of businesses' exposure to human rights violations. Consequently, Athena does not conduct any activities, liaise or contract with business partners or suppliers in countries considered high-risk in terms of negatively impacting human rights. Athena has not prepared a specific policy on human rights as, so far, the Company has not deemed it relevant, considering its business activities and locations.

In the future, Athena will continuously endeavour to expand its corporate responsibility efforts in its planning and decision-making processes. These efforts will be based on statutory requirements and the topics most material to Athena's core business and commercial goals as this is the best way in which Athena can contribute through relevant initiatives to the benefit of the Company and of its stakeholders.

BOARD OF DIRECTORS AND BOARD OF MANAGEMENT

PETER HØSTGAARD-JENSEN
Chairman
Former CEO of Elsam A/S

Graduated in Chemical Engineering and Business
Born in 1945
Nationality: Danish

Elected as chairman of the Board of Directors in October 2010, most recently elected by the Board of Directors in November 2018. Current election period expires at the Annual General Meeting in 2019.

Peter Høstgaard-Jensen is considered as an independent board member.

Competencies of special relevance to Athena Investments: Energy, power distribution

Other executive functions/directorships:
Crestwing ApS (Chairman)
Aalborg Energie Technik a/s (Board member)
Borean Innovation A/S (Board member)
Frederikshavn Forsyning A/S (Board member)
Nordenergie A/S (Board member)
Norsk Miljøkraft AS (Board member)

SIGIERI DIAZ DELLA VITTORIA PALLAVICINI
Deputy Chairman
Former CEO of Greentech Energy Systems A/S (now Athena Investments A/S) from 2010 – 2014

Graduated cum Laude in Economics and Business Administration
Born in 1969
Nationality: Italian

Elected as Deputy chairman of the Board of Directors in April 2018. Current election period expires at the Annual General Meeting in 2019.

Sigieri Diaz della Vittoria Pallavicini is considered as a non-independent board member as he represents the major shareholders of Athena Investments A/S.

Competencies of special relevance to Athena Investments: Broad experience and expertise within investment management, M&A and financial markets and with extensive international reach and network

Other executive functions/directorships:
Armonia SGR S.p.A (Chairman)
Armonia Holding S.r.l (Chairman)
Atlantica Real Estate S.r.l (Vice chairman)
SDP Holding di Partecipazioni S.r.l (Sole Director)
SDP Fiduciaria S.r.l (Chairman and CEO)
SDP Advisory S.A (Chairman)
Terre dei Pallavicini S.r.l (Chairman)
Holding Pallavicini S.p.A (Director)
Fidim S.r.l (Director)
SDP Capital Management (Malta) Ltd (Director)
SDP Real Estate S.r.l. (Sole Director)
Banca Interprovinciale (Banca Illimity) (Director)

MICHÈLE BELLON

Former CEO of ERDF

Graduated from Northwestern University (Illinois, USA) with a Master of Sciences in Nuclear Engineering and Graduate Engineer of Ecole Centrale de Paris (equivalent PhD)
Born in 1949
Nationality: French

Elected as board member at the Annual General Meeting in 2014, most recently elected at the Annual General Meeting 2018. Current election period expires at the Annual General Meeting in 2019.

Michèle Bellon is considered as an independent board member.

Competences of special relevance to Athena Investments:
Broad experience within the energy field and from major companies in an international environment

Other executive functions/directorships:
RATP (Board member)
HF Company (Board member)

VALERIO ANDREOLI BONAZZI

CEO of Epico and of its subsidiary Hydrowatt Abruzzo S.p.A.

Graduated in Finance
Born in 1970
Nationality: Italian

Elected as board member in October 2010, most recently elected at the Annual General Meeting in 2018.
Current election period expires at the Annual General Meeting in 2019.

Valerio Andreoli Bonazzi is considered as an independent board member.

Competencies of special relevance to Athena Investments:
Hydro, Biomass, Solar, Wind

Other executive functions/directorships:
Epico (CEO)
Hydrowatt Abruzzo spa (CEO)

JEAN-MARC JANAILHAC

Senior Advisor Macquarie Capital (Macquarie Investment bank division)
Former CEO of Veolia Environmental Services South Europe (Subsidiary of the waste management division of Veolia Environment Group)

Graduated in Economics at HEC Paris (Hautes Etudes Commerciales) and at IHEDN (Institut des Hautes Etudes de Defense Nationale), member of the French independent board members association (IFA, Institut Francais des Adminsitrateurs)
Born in 1954
Nationality: French

Elected as board member in October 2010, most recently elected at the Annual General Meeting 2018.
Current election period expires at the Annual General Meeting in 2019.

Jean-Marc Janailhac is considered as an independent board member.

Competencies of special relevance to Athena Investments:
Environment & Utilities, Energy & Renewables, Infrastructure & Construction

Other executive functions/ directorships:
SFIC development SAS (CEO)
SFEIR SA (Board Member)
Cabinet Roux SA (Board Member)
Fabregue SA (Board member)
Fondation Contes (Financial advisor)
Eurohold (Senior advisor)

ALESSANDRO REITELLI

CEO

Employed with the Company as COO in September 2012
CFO and COO ad interim from November 2012 to October 2014
CEO since October 2014

Graduated cum laude in Economics
Born in 1969
Nationality: Italian and French

Other executive functions/directorships:
None

FRANCESCO VITTORI

CFO

Employed with the Company as Planning and Control Manager in June 2014
CFO since October 2014

Graduated in Business administration and financial markets management

Born in 1980
Nationality: Italian
Other executive functions/ directorships:
None

Directorships held within the Athena Investments Group are excluded from the descriptions above.
All directorships are as per 1 February 2019.

SHAREHOLDINGS IN ATHENA INVESTMENTS A/S AS AT 31 DECEMBER 2018 *

Board of directors	**Shares**
Peter Høstgaard-Jensen	20,000
Sigieri Diaz della Vittoria Pallavicini**	0
Michèle Bellon	0
Valerio Andreoli Bonazzi	0
Jean-Marc Janailhac	0
Total	**20,000**
Management Board:	
Alessandro Reitelli	25,000
Francesco Vittori	0
Total	**25,000**

* During 2018, the shareholdings have remained unchanged compared to 2017.
** Through his engagement in SDP RAIF - Genesis, Sigieri Diaz della Vittoria Pallavicini represents a shareholding of 31,042,832 shares.

SHAREHOLDER INFORMATION

SHARE CAPITAL AND OWNERSHIP

Athena Investments A/S' total share capital amounts to DKK 533,313,475 divided into 106,662,695 shares with a nominal value of DKK 5 each. Athena has a single share class and no restrictions on voting rights.

At 31 December 2018, Athena had approximately 4,300 shareholders registered by name, including custodian banks, a decrease of approximately 10% during the year. The registered shareholders represented almost 99% of the share capital which was at the same level as at year-end 2017. In line with previous years, the vast majority - around 86% - of Athena's shares are held by international investors.

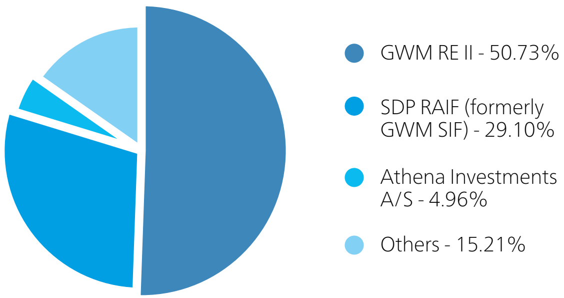
The following shareholders have reported holding more than 5% of Athena's share capital in accordance with the Danish Companies Act, article 55:

- GWM Renewable Energy II, Italy: 50.73%
- SDP RAIF - Genesis*, Luxembourg: 29.10%

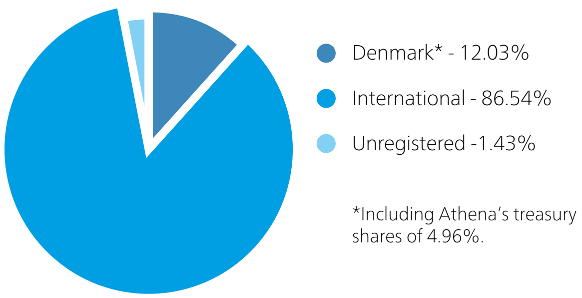
* The company was formerly named GWM SIF - Genesis.

At 31 December 2018, Athena held 4.96% own shares (unchanged compared to year-end 2017). The portfolio of treasury shares is held for M&A opportunities.

Share capital	DKK 533,313,475.00
Number of shares	106,662,695 shares of DKK 5
Number of treasury shares	5,295,314
Share classes	One (A share)
Voting/ ownership restrictions	None
ISIN code	DK0010240514
Trading symbol	ATHENA
Bloomberg ticker	ATHENA:DC
Reuters ticker	ATHENAI.CO



shareholder overview 31.12.2018

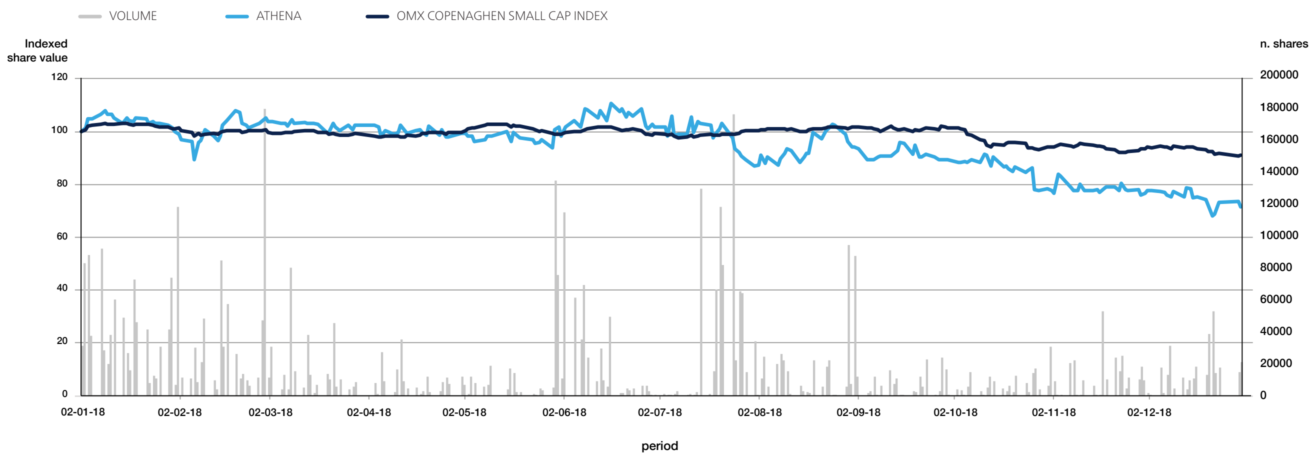


shareholder by geography 31.12.2018

THE ATHENA SHARE

The Athena share is listed on Nasdaq Copenhagen and included in the OMX Copenhagen Small Cap Index. In 2018, the share price declined from DKK 8.5 at year-end 2017 to DKK 6.25 at year-end 2018 (- 27%). During the same period, the OMX Copenhagen Small Cap Index decreased by 8%.

Share price performance (indexed) and share volume



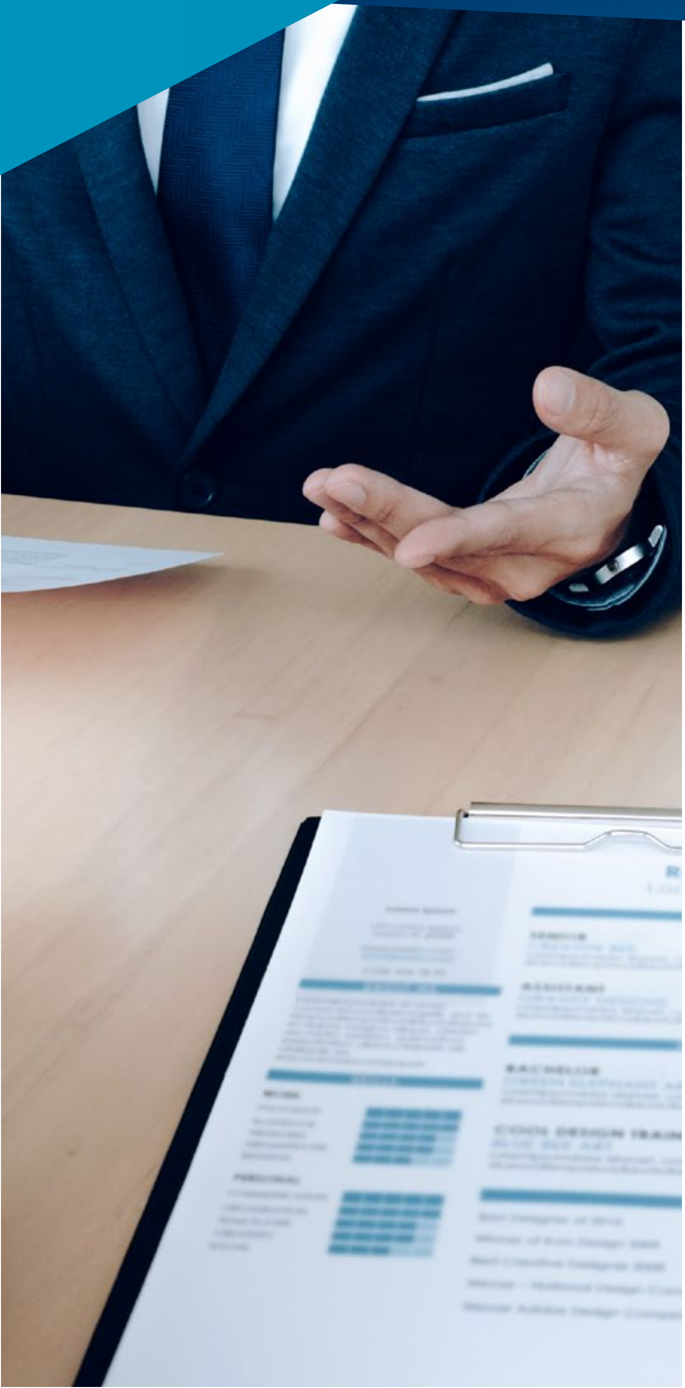
DIVIDEND POLICY

In 2017, the Board of Directors changed the former dividend policy by introducing distribution of dividends in continuation of the Company's restructuring process and the related improvement in cash flow generation. Following the change of the Company's name and objects resolved at the Extraordinary General Meeting in December 2017, the intention is to maintain the current dividend policy.

However, the yearly distribution of dividends will always be decided with due consideration for the Company's plans, requirements or priorities. Hence, the dividend framework expresses stability, through a floor, growth perspective, through the Pay-out Ratio (PR), and flexibility, based on sound expectations:

- Maximum PR 40%, net of equity for selected accretive opportunities and stable cash-free buffer of EUR 10M.
- Minimum dividend of EUR 2M per year.

The Board of Directors proposes that an extraordinary dividend of DKK 3.094 (EUR 0.414) per outstanding share be distributed for the financial year 2018 (2017: DKK 0.259/EUR 0.035 per share). Please refer to the letter of the Chairman of the Board of Directors and the Chief Executive Officer, on p.6.



INVESTOR RELATIONS

Athena aims to ensure that investors have adequate and equal access to relevant information by providing communications to the financial markets in a timely and accurate manner to support normal trading and a fair and efficient pricing of the share.

The Company seeks to create awareness of its activities by pursuing an open dialogue with investors, analysts and other stakeholders. This is done through activities such as meetings and participation in other events and seminars. Moreover, Athena's Management Board hosts conference calls following the publication of financial results.

Athena's website contains an "Investor" section which provides access to company announcements, financial reports, monthly production updates and investor presentations. Moreover, all interested parties can subscribe to Athena's newsletter and automatically receive announcements, publication of financial results etc. via e-mail.

The Management is responsible for the Company's investor relations.

IR contact person is:
Laura Emma Pacifici
E-mail: lepacifici@athenainvestments.com
Telephone: +39 48 79 32 00

FINANCIAL CALENDAR	**2019**
Deadline for shareholders to submit proposals for the agenda of the Annual General Meeting	11 March
Annual Report 2018	27 March
Annual General Meeting 2019	23 April
Interim Report for H1 2019	1 August

ATHENA INVESTMENTS A/S **2018** ANNUAL REPORT

STATEMENT AND REPORT

STATEMENT BY THE BOARD OF DIRECTORS AND THE MANAGEMENT BOARD

Today the Board and Management Board have discussed and approved the Annual Report of Athena Investments A/S for the financial year ended 31 December 2018.

The Annual Report has been prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

In our opinion the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the Group's and the Parent Company's financial position at 31 December 2018 and of the results of the Group's and the Parent Company's operations and cash flow for the financial year then ended.

In our opinion the Management's Review includes a true and fair review about the development in the Group's and the Parent Company's operations and financial matters, the results for the year and the Parent Company's financial position, and the position as a whole for the entities included in the Consolidated Financial Statements, as well as a review of the more significant risks and uncertainties faced by the Group and the Parent Company.

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

Copenhagen, 27 March 2019

MANAGEMENT BOARD

ALESSANDRO REITELLI
CEO

FRANCESCO VITTORI
CFO

BOARD OF DIRECTORS

PETER HØSTGAARD-JENSEN
Chairman

SIGIERI DIAZ DELLA VITTORIA PALLAVICINI
Deputy Chairman

MICHÈLE BELLON

VALERIO ANDREOLI BONAZZI

JEAN-MARC JANAILHAC

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ATHENA INVESTMENTS A/S

OPINION

We have audited the consolidated financial statements and the parent company financial statements of Athena Investments A/S for the financial year 1 January – 31 December 2018, which comprise income statement, statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes, including accounting policies, for the Group and the Parent Company. The consolidated financial statements and the parent company financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2018 and of the results of the Group's and the Parent Company's operations and cash flows for the financial year 1 January – 31 December 2018 in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

Our opinion is consistent with our long-form audit report to the Audit Committee and the Board of Directors.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements and the parent company financial statements" (hereinafter collectively referred to as "the financial statements") section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

INDEPENDENCE

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

To the best of our knowledge, we have not provided any prohibited non-audit services as described in article 5(1) of Regulation (EU) no. 537/2014.

APPOINTMENT OF AUDITOR

We were initially appointed as auditor of Athena Investments A/S on 19 April 2011 for the financial year 2011. We have been reappointed annually by resolution of the general meeting for a total consecutive period of 8 years up until the financial year 2018.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the financial year 2018. These matters were addressed during our audit of the financial statements as a whole and in forming our opinion thereon. We do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled our responsibilities described in the "Auditor's responsibilities for the audit of the financial statements" section, including in relation to the key audit matters below. Accordingly, our audit included the design and performance of procedures to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the financial statements.

VALUATION OF WIND FARMS, SOLAR PLANTS AND RELATED PROJECT FINANCING

The Group operates a number of wind farms and solar plants. Valuation of wind farms and solar plants is significant to our audit due to the carrying values of the wind farms and solar plants as well as the management judgement involved in the assessment of the carrying values, including component accounting, assessment of useful life and scrap values and accounting estimates and assessments involved in impairment testing of the wind farms and solar plants. Project financing is significant to our audit due to the importance of maintaining project financing, including compliance with applicable debt covenants.

Management prepares and reviews impairment tests for all wind farms and solar plants at least at year-end, or more frequently if there is indication of impairment. Impairment testing is based on the estimated recoverable amounts, which for this purpose are determined based on the value in use. The value in use is based on a Discounted Cash Flow (DCF) model and is calculated for the cash-generating units determined by Management. Additionally, Management prepares and reviews applicable debt covenant compliance certificates.

Refer to notes 14, 24 and 30 in the consolidated financial statements.

How our audit addressed the above key audit matters

Our audit procedures included:

- Test of the component accounting and comparison of the useful life and scrap values used with assessments made and data provided by Athena Investment's technical department and other sources as well as inquiries of Management and the technical department.
- Examination of the impairment tests prepared by Management, including consideration of the valuation methodology and the reasonableness of key assumptions and input data based on our knowledge of the business and industry together with available supporting evidence such as available budgets and externally observable market data related to energy prices, production, operating expenses and interest rates.
- Examination of a sensitivity analysis on assets with a higher risk of impairment, or with the potential for a reversal of a previously recognised impairment loss.
- Assessment of the adequacy of disclosures about key assumptions and sensitivity in note 14 to the consolidated financial statements compare to applicable accounting standards.
- Sample testing of debt covenant calculations and compliance with applicable debt covenants at 31 December 2018.
- Assessment of the adequacy of disclosures about project financing in note 30 to the consolidated financial statements compared to applicable accounting standards.

RECOVERABILITY OF DEFERRED TAX ASSETS

The Group recognises deferred tax assets to the extent that it is probable that future tax profits will be available against which unused tax losses and deductible temporary differences can be utilised. The analysis of the recoverability and measurement of the deferred tax assets was significant to our audit, because the carrying amount in the consolidated financial statements is material, and the assessment process applied by Management is judgemental.
Refer to notes 10 and 22 in the consolidated financial statements.

How our audit addressed the above key audit matter

Our audit procedures included:

- Evaluating Management's assumptions and estimates in relation to the likelihood of generating sufficient future taxable profits based on budgets and business plans for each cash-generating unit and tax jurisdiction, which also included an assessment of the historical accuracy of Management's estimates.
- Assessment of the adequacy of the disclosure in note 22 compared to applicable accounting standards, including specification of the deferred tax assets between tax losses carry-forwards and deductible temporary differences.

STATEMENT ON THE MANAGEMENT'S REVIEW

Management is responsible for the Management's review.

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

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

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

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the Management's review. Independent auditor's report

MANAGEMENT'S RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation of consolidated financial statements and parent company financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Group or the Parent Company or to cease operations, or has no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and 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 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 Group's and the Parent Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements and the parent company financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Copenhagen, 27 March 2019

ERNST & YOUNG

Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Michael Groth Hansen
State Authorised
Public Accountant
mne33228

Peter Andersen
State Authorised
Public Accountant
mne34313

ATHENA INVESTMENTS A/S **2018** ANNUAL REPORT

FINANCIAL STATEMENTS

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INCOME STATEMENT

Note	1 JANUARY - 31 DECEMBER	GROUP		PARENT COMPANY	
Note	**EUR'000**	**2018**	**2017**	**2018**	**2017**
4	Revenue	51,739	56,443	-3	996
5	Production costs	-27,588	-29,535	-26	-840
	Gross profit	**24,151**	**26,908**	**-29**	**156**
5,6	Administrative expenses	-5,675	-5,865	-2,462	-2,223
9	Other operating income	1,970	495	-	-
9	Other operating expenses	-896	-668	-39	-224
	Income from investments in Joint Ventures	2,037	2,153	-	-
	Operating profit/loss before impairment	**21,587**	**23,023**	**-2,530**	**-2,291**
	Impairment of assets	-3,711	-	-5,659	-
	Operating profit/loss	**17,876**	**23,023**	**-8,189**	**-2,291**
7	Financial income	82	143	2,212	11,958
8	Financial expenses	-9,405	-11,327	128	167
	Profit/loss before tax	**8,553**	**11,839**	**-5,849**	**9,834**
10	Tax on profit/loss for the year	-3,610	-3,031	-534	-144
	Profit/loss for the year	**4,943**	**8,808**	**-6,383**	**9,690**
11	**EARNINGS PER SHARE**				
	Earnings per share (EPS basic), EUR	0.05	0.09		
	PROPOSED DISTRIBUTION OF PROFIT/LOSS				
	Proposed dividends			42,000	3,523
	Retained earnings			-48.383	6,167

STATEMENT OF OTHER COMPREHENSIVE INCOME

1 JANUARY - 31 DECEMBER	GROUP		PARENT COMPANY	
EUR'000	**2018**	**2017**	**2018**	**2017**
Profit/loss for the year	**4,943**	**8,808**	**-6,383**	**9,690**
Other comprehensive income:				
Items subsequently reclassified to Profit and Loss:				
Gross Value adjustment of hedging instruments	3,252	5,359	-	-
Value adjust, of hedging instruments recognized in P&L as financial items	-925	-635	-	-
Tax on fair value adjustment of hedging instruments	-571	-1,075	-	-
Other comprehensive income in Joint Ventures	494	865	-	-
Exchange adjustment of translation to reporting currency	-316	-157	-622	-291
Total other comprehensive income	**1,934**	**4,356**	**-622**	**-291**
Comprehensive income for the year	**6,877**	**13,164**	**-7,005**	**9,399**

BALANCE SHEET AT 31 DECEMBER

	ASSETS	GROUP		PARENT COMPANY	
Note	**EUR'000**	**2018**	**2017**	**2018**	**2017**
	Goodwill	2,617	2,617	-	-
	Other intangible assets	27,142	29,974	-	-
14	**Total intangible assets**	**29,759**	**32,591**	**-**	**-**
	Land and building	1,756	3,025	-	-
	Plant and machinery	216,328	234,920	-	-
	Equipment	135	220	-	-
	Plant and machinery under construction	249	208	-	-
14	**Total property, plant and equipment**	**218,468**	**238,373**	**-**	**-**
12	Investments in subsidiaries	-	-	129,946	149,679
13	Investments in associates and Joint Ventures	28,381	27,977	-	25,298
15	Other non-current financial assets	20,856	22,853	58,462	23,681
	Other non-current assets	7	4	-	-
22	Deferred tax	13,816	14,126	-	-
	Other non-current assets	**63,060**	**64,960**	**188,408**	**198,658**
	TOTAL NON-CURRENT ASSETS	311,287	335,924	188,408	198,658
16	Inventories	171	172	-	-
17	Trade receivables	12,825	16,848	-	87
	Income tax receivable	3,697	4,117	-	-
18	Other current financial assets	2,235	2,159	-	-
19	Other current assets	5,390	5,688	110	58
	Cash at bank and in hand	66,590	48,562	31,556	24,518
	TOTAL CURRENT ASSETS	90,908	77,546	31,666	24,663
26	Assets classified as held for sale	1,100	8,975	-	-
	TOTAL ASSETS	403,295	422,445	220,074	223,321

LIABILITIES AND EQUITY	GROUP		PARENT COMPANY		
EUR'000	**2018**	**2017**	**2018**	**2017**	Note
Share capital	71,623	71,623	71,623	71,623	20
Share premium account	32,448	132,448	32,448	132,448	
Exchange adjustment reserve	-1,325	-1,117	-	-	
Hedging instrument reserve	-3,227	-4,984	-	-	
Retained earnings	112,686	11,388	115,515	17,408	
Share of equity held by equity holders of the parent	**212,205**	**209,358**	**219,586**	**221,479**	
TOTAL EQUITY	212,205	209,358	219,586	221,479	
Provision for deferred tax	1,875	1,837	-	-	22
Employee benefits	472	381	-	-	
Other deferred liabilities	7,563	7,221	-	-	23
Credit institutions	140,376	158,374	-	-	24
Derivatives	9,664	13,029	-	-	30
Non-current liabilities	**159,950**	**180,842**	**-**	**-**	
Current portion of long-term bank debt	20,217	19,480	-	-	24
Trade payables	2,826	2,859	104	753	
Income tax	2,211	2,511	76	499	
Other current liabilities	2,148	3,482	308	590	25
Derivatives	3,738	3,225	-	-	30
Current liabilities	**31,140**	**31,557**	**488**	**1,842**	
TOTAL LIABILITIES	191,090	212,399	488	1,842	
Liabilities classified as held for sale	-	688	-	-	26
TOTAL LIABILITIES AND EQUITY	403,295	422,445	220,074	223,321	

STATEMENT OF CHANGES IN EQUITY AT 31 DECEMBER

GROUP

EUR'000	Share capital	Share premium account	Exchange adjustment reserve	Hedging instruments reserve	Retained earnings	Total
Equity at 1 January 2017	**71,623**	**132,448**	**-948**	**-8,631**	**3,929**	**198,421**
Profit/Loss for the period	-	-	-	-	8,808	8,808
Other comprehensive income	-	-	-157	3,647	865	4,355
Dividends paid	-	-	-	-	-2,210	-2,210
Other Movements	-	-	-12	-	-4	-16
Equity at 31 December 2017	**71,623**	**132,448**	**-1,117**	**-4,984**	**11,388**	**209,358**
Equity at 1 January 2018	**71,623**	**132,448**	**-1,117**	**-4,984**	**11,388**	**209,358**
Profit/Loss for the period	-	-	-	-	4,943	4,943
Other comprehensive income	-	-	-316	1,757	494	1,935
Dividends paid	-	-	-	-	-3,523	-3,523
Transferred	-	-100,000	-	-	100,000	-
Reserve FTA IFRS 9	-	-	-	-	-506	-506
Other Movements	-	-	108	-	-110	-2
Equity at 31 December 2018	**71,623**	**32,448**	**-1,325**	**-3,227**	**112,686**	**212,205**

PARENT COMPANY

EUR'000	Share capital	Share premium account	Retained earnings	Total
Equity at 1 January 2017	**71,623**	**132,448**	**10,214**	**214,285**
Profit/Loss for the year	-	-	9,690	9,690
Other comprehensive income	-	-	-291	-291
Dividends paid	-	-	-2,210	-2,210
Other Movements			5	5
Equity at 31 December 2017	**71,623**	**132,448**	**17,408**	**221,479**
Equity at 1 January 2018	**71,623**	**132,448**	**17,408**	**221,479**
Profit/Loss for the year	-	-	-6,383	-6,383
Other comprehensive income	-	-	-622	-622
Dividends paid	-	-	-3,523	-3,523
Transferred	-	-100,000	100,000	-
Merger Subsidiaries	-	-	8,635	8,635
Equity at 31 December 2018	**71,623**	**32,448**	**115,515**	**219,586**

Share premium account can be used for dividend.

Accounting policy

Exchange adjustment reserve

The translation reserve in the Consolidated Financial Statements comprises exchange adjustments arising from the translation of the Financial Statements of foreign enterprises from their functional currencies into the presentation currency (EURO) of the Athena Group.

On full or partial realisation of a net investment, foreign exchange adjustments are recognised in the Income Statement.

Hedging instruments reserve

The hedging instruments reserve in the Consolidated Financial Statement is related to changes in the fair value of derivative financial instruments classified as hedging of expected future transactions.

Accounting policy

Dividend

Dividend is recognised as liability to make cash or non-cash distributions to equity holders of the parent when the distribution is authorised and the distribution is no longer at the discretion of the Company. A distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

CASH FLOW STATEMENT

1 JANUARY - 31 DECEMBER	GROUP		PARENT COMPANY	
EUR'000	**2018**	**2017**	**2018**	**2017**
Profit/loss for the year	4,943	8,808	-6,383	9,690
Adjustments to reconcile profit/loss for the year to net cash flow:				
Depreciation and amortization on property, plant and equipment	17,334	18,438	-	402
Impairment of assets	3,711	-	5,659	-
Income from Joint Ventures	-2,037	-2,153	-	-
Other adjustments	203	529	57	181
Financial income	-82	-143	-2,212	-11,958
Financial expenses	9,405	11,327	-128	-167
Tax	3,610	3,031	534	144
Cash flow before change in working capital	**37,087**	**39,837**	**-2,473**	**-1,708**
Change in working capital	2,955	-1,975	-232	722
Cash flow from operations	**40,042**	**37,862**	**-2,705**	**-986**
Dividends from Joint Ventures/subsidiaries	-	-	229	9,050
Interest received	-	95	1,029	702
Interest paid	-9,390	-11,347	-71	-71
Tax paid	-3,554	-2,776	-957	-92
Cash flow from operating activities	**27,098**	**23,834**	**-2,475**	**8,603**
Purchase of property, plant and equipment	-301	170	-	-
Sale of property, plant and equipment	-	3,221	-	3,221
Sale of subsidiaries, net of cash sold	7,682	-	3,980	-
Dividend received from associates and Joint Ventures	1,650	-	-	-
Decrease in loans to associates and Joint Ventures	1,121	3,500	1,121	3,500
Proceed and repaiments in loans to subsidiaries	-	-	7,566	4,019
Cash flow from investing activities	**10,152**	**6,891**	**12,667**	**10,740**

>>> 1 JANUARY - 31 DECEMBER	GROUP		PARENT COMPANY		Note
EUR'000	**2018**	**2017**	**2018**	**2017**	
Decrease in other financial receivables	329	-	-	-	
Decrease/Increase in other financial receivables	430	-1,719	-	-	30
Repayment of debt to credit institutions	-18,045	-16,754	-	5	30
Loans raised with credit institutions	-	9,408	-	-	30
Dividend paid to shareholders	-3,523	-2,210	-3,523	-2,210	
Cash flow from financing activities	**-20,809**	**-11,275**	**-3,523**	**-2,205**	
Cash flow for the year	**16,441**	**19,450**	**6,669**	**17,138**	
Exchange adjustment of cash at the beginning of the year	-99	4	-25	-25	
Cash and cash equivalents at the beginning of the year	48,562	30,344	24,912	7,405	
Cash from Merger subsidieries	-	-	394	-	
Cash and cash equivalents at the beginning of the year, held for sale	1,686	450	-	-	
Cash and cash equivalents, year end	66,590	48,562	31,556	24,518	
Cash and cash equivalents, year end held for sale	-	1,686	-	-	
Cash and cash equivalents, year end	**66,590**	**50,248**	**31,556**	**24,518**	

The cash flow statement cannot be derived using only the published financial data.

Accounting policy

The cash flow statement shows the cash flow for the year from operating, investing and financing activities. The cash flow statement is presented using the indirect method on the basis of the profit/loss of the year. The cash flow statement shows cash flow for the year, as well as cash and cash equivalents at the beginning and at the end of the financial year. Cash flow from operating activities is calculated as profit/loss of the year adjusted for non-cash operating items and working capital changes. Cash flow from investing activities comprises payments in connection with acquisition and divestment of enterprises or assets.
Cash flow from financing activities comprises the raising of loans, installments on loans, payment of dividends and increases of the share capital. Cash flow concerning acquired companies is recognized from the date of acquisition, while cash flow concerning divested companies is recognized until the date of divestment.

Cash and cash equivalents

Cash and cash equivalents consist of cash at banks and in hand and short-term deposits with an original maturity of less than three months. Cash and cash equivalents include cash and bonds less short-term bank debt.
Cash and cash equivalents include free cash available for the holdings and cash available only for the operations of the project companies.

Please also refer to Note 30.

ATHENA INVESTMENTS A/S **2018** ANNUAL REPORT

NOTES

1. ACCOUNTING POLICIES

Basis of preparation
Athena Investments A/S is a public limited company incorporated in Denmark and listed on NASDAQ Copenhagen.

Annual report for the Group and the Parent Company has been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) and additional requirements in the Danish Financial Statement Act.

The Annual Report is presented in EURO.

New International Financial Reporting Standards and Interpretations
The annual report for 2018 is presented in conformity with the new and revised IFRS standards and new IFRIC interpretations endorsed by the EU, which apply to financial years beginning on January 1, 2018.
The accounting policies have been applied consistently during the financial year and for the comparative figures. For standards implemented prospectively the comparative figures are not restated.
The Group has adopted IFRS 15 "Revenue from Contracts with Customers" and IFRS 9 "Financial Instruments: Classification and Measurement of Financial Assets and Financial Liabilities" and all other new, amended or revised accounting standards and interpretations endorsed by the EU effective for the accounting period beginning as of January 1 2018.
Comparative figures are not restated due to either no impact or insignificant impact on the group and parent company financial statements or due to the transitional provisions in the newly adopted standards.

IFRS 15
Adoption of IFRS 15 has been done using the modified retrospective application method.
The most significant change resulting from IFRS 15 are:

The model for revenue recognition is changed from having been based on the transfer of risks and rewards of ownership of a service to being based on the transfer of control of the service transferred to the customer.
The Group has assessed that the excising accounting policy for revenue recognition (sale of electricity) in all material aspects are consistent with IFRS 15 and the implementation has therefore not had any impact on the retained earnings as of 1 January 2018 except for minor changes in wording and no change in accounting policy has been disclosed.

IFRS 9
IFRS 9 introduces a new impairment loss model for financial assets by replacing IAS 39's "incurred loss model" approach with a more forward-looking "expected credit loss model". Under the new model it is no longer necessary that a credit event has occurred before a credit loss is recognised. The new credit loss model primarily applies to trade receivables for the group and receivables from subsidiaries for the parent company. The Group on a historical basis has experienced very low losses on Trade receivables due to the fact that the Trade receivables is towards large companies with high solvency ratio and Governments. The assessment for the Parent company is based on the fact that the Parent Company has not historically realised any significant losses on intra group receivables and the fact that the Group companies in all material aspects are able to settle the receivable as they fall due. Therefore the implementation of the new credit loss model have been insignificant and accordingly no impact on the retained earnings as of 1 January 2018 is recognised.

According to IFRS 9 when the contractual cash flows of a financial asset are renegotiated the gross carrying amount shall be recalculated. In connection with implementation of IFRS 9 the group have performed a retrospective analysis of the impact derived from the amendment of the Project Financing, granted to Minerva Messina in 2008, which has been subject to an amendment on 10 June 2010, through the comparison between the NPV of the old and new liability. The effect of the recalculation have been recognised through retained earnings as of 1 January 2018, amounting to Euro 0.7M.

However, both IFRS 15 and IFRS 9 has lead to further disclosure requirements and the accounting policy for revenue recognition and trade receivables has been reworded.

New standards and interpretations not yet entered into force
The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

IFRS 16 was issued in January 2016 and it replaces IAS 17 Leases.

IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under IAS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Transition to IFRS 16
The Group plans to adopt IFRS 16 Standard for annual reporting periods beginning on 1 January 2019. Athena plans to adopt IFRS 16 using the modified retrospective approach, which means that the cumulative impact of the adoption will be recognized in retained earnings as of 1 January 2019 and that comparatives will not be restated.

The Group will elect to use the exemptions proposed by the standard on lease contracts for which the lease terms ends within 12 months as of the date of initial application, and lease contracts for which the underlying asset is of low value. The Group has leases of certain office equipment (i.e., personal computers, printing and photocopying machines) that are considered of low value.

During 2018, the Group has performed a detailed impact assessment of IFRS 16. In summary the impact of IFRS 16 adoption is expected to be as illustrated in the table on page 53 below.
No significant impact is expected for the leases that already are categorised as finance leases.

Impact on the Statement of financial position (increase/(decrease)) as at 1 January 2019

EUR'000	1 Jan. 2019
Assets	
Property , plant and equipment (right of use assets)	10,181
Deferred tax asset	394
Liabilities	
Lease liabilities	11,676
Net impact on equity	**-1,101**
Impact on the Statement of profit or loss (increase/(decrease)) as at 31 December 2018:	
Depreciation expenses (included in cost of sales)	658
Operating lease expenses (included in administrative expenses)	-941
Operating profit	**-284**
Finance costs	342
Income tax expenses	-54
Profit for the year	**4**
Impact on the Cash flow Statement (increase/(decrease)) as at 31 December 2018:	
Adjustments to reconcile profit/loss for the year to net cash flow:	
Depreciation and amortization on property, plant and equipment	658
Financial expenses	342
Tax	-54
Cash flow from operations	**950**
Interest paid	-342
Cash flow from operating activities	**607**

Consolidation method

Relevant principles of consolidation are as follows:

- the Consolidated Financial Statements include the Financial Statements of the Company and the companies in which it holds a controlling interest, from the date control over such subsidiaries begins until the date that control ceases. Control exists when the Group has the majority of voting rights or has the power, directly or indirectly, to govern, also through contractual agreements, the financial and operating policies of an enterprise so as to obtain benefits from its activities;
- the Consolidated Financial Statements are based on the Financial Statements of the individual Group companies prepared for the same reporting period using consistent accounting policies. The Financial Statements have been prepared under the historical cost convention, except for certain financial assets and liabilities measured at fair value as described in the Notes. The closing date of the Financial Statements of the individual Group companies utilized in the consolidation is the same closing date of the Consolidated Financial Statements. Such Financial Statements are adjusted, where necessary, to comply with Group accounting policies;
- all significant intra-Group balances and transactions, including unrealized profits arising from intra-Group transactions, are eliminated in full. Unrealized profits and losses resulting from transactions with Joint Ventures are eliminated for the amount attributable to the Group; the acquisition of controlling investments from third parties are accounted for by the acquisition method of accounting and the excess between the consideration transferred and the amount recognised for non-controlling interest over the fair value of the identifiable assets acquired, less liabilities assumed, is allocated to goodwill. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in the Income Statement. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. Acquisition-related costs are accounted for in the Income Statement as expenses in the period in which the costs are incurred;
- if the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Consolidated Financial Statements present provisional amounts for the items for which the accounting is incomplete. The measurement period for the completion of the accounting does not exceed one year from the acquisition date. During the measurement period, the Company recognizes retrospectively the adjustments to the provisional amounts to reflect new information obtained about facts and circumstances that existed at the acquisition date and which, if known, would have affected the measurement of the amounts recognized at that date;
- the assets, liabilities, revenues and expenses of the consolidated companies have been consolidated on a line-by-line basis; noncontrolling interests in shareholders' equity and net income are disclosed separately in the consolidated balance sheet and included in the consolidated Income Statement. Losses within a subsidiary are attributed to the noncontrolling interest even if that results in a deficit balance;
- when acquiring minority interests, the net assets are not valued at fair value. The difference between the consideration and the minority's share of the book value inclusive of goodwill is transferred from the minorities share of the equity to the share of the equity related to the shareholders of Athena;

- if the Group loses control over a subsidiary, it:
  - derecognises the assets (including goodwill) and liabilities of the subsidiary;
  - derecognises the carrying amount of any noncontrolling interest;
  - derecognises the cumulative translation differences, recorded in equity;
  - recognises the fair value of the consideration received;
  - recognises the fair value of any investment retained;
  - recognises any surplus or deficit in the Income Statement;
  - reclassifies the parent's share of components previously recognised in other comprehensive income to Income Statement or retained earnings, as appropriate.

Foreign currency translation

Functional currency and reporting currency
The Group determines a functional currency for each reporting entity in the Group. The functional currency is the currency used in the primary financial environment in which the individual reporting entity operates. Transactions in currencies other than the functional currency are foreign exchange transactions. The functional currency of the Parent company is Danish kroner (DKK), but out of consideration for the Group's international relations the Consolidated Financial Statements are presented in euro (EUR).

Translation to reporting currency
The Balance Sheet is translated to the reporting currency based on the EUR rate at the Balance Sheet date. The Income Statement is translated at the rate at the date of the transaction. An average rate for the year is used as the rate at the date of the transaction to the extent that this does not give materially different view.

On initial recognition, transactions denominated in foreign currencies are translated into the functional currency at the exchange rate ruling at the transaction date. Exchange differences arising between the exchange rate at the transaction date and the exchange rate at the date of actual payment are recognized in the Income Statement under financial income or financial expenses.

Receivables, payables and other monetary items in foreign currencies are translated at the exchange rates at the Balance Sheet date. The exchange rate ruling at the date when the receivable or payable arose or the exchange rate applied in the most recent annual report is recognized in the Income Statement under financial income or financial expenses.

On consolidation of companies with functional currencies other than EUR, the Income Statement is translated at the exchange rates ruling at the transaction date, and the Balance Sheets is translated at the exchange rate ruling at the respective Balance Sheet date.

The average exchange rate for each individual month is used as the rate at the transaction date, provided this does not give a much different view. Exchange differences arising from the translation of the opening equity of such companies at the exchange rate ruling at the Balance Sheet date and on the translation of the income statement from the exchange rate ruling at the transaction date to the exchange rate ruling at the Balance Sheet date are taken through other comprehensive income directly to equity under a separate reserve for currency translation.

Exchange adjustments of balances that represent part of the total net investment in enterprises with a functional currency other than EUR are recognized through other comprehensive income directly in equity in the Consolidated Financial Statements under a separate reserve for currency translation. Similarly, exchange gains and losses on the portion of loans and derivative financial instruments entered into to hedge the net investment in these enterprises and which constitute effective hedging against corresponding exchange gains/loss on net investment in the enterprise are recognized through other comprehensive income directly in equity under a separate reserve for currency translation.

On recognition in the Consolidated Financial Statements of Joint Ventures with a functional currency other than EUR, the share of results for the year is translated at average exchange rates, and the share of equity including goodwill is translated at the exchange rates at the Balance Sheet date.

Exchange adjustments arising from the translation of the share of the opening equity of foreign Joint Ventures at exchange rates at the Balance Sheet date and on the translation of the share of results for the year from average exchange rates to exchange rates at the Balance Sheet date are recognized through other comprehensive income directly in equity under a separate reserve for currency translation.

Impairment of financial assets

At each reporting date, the Group assesses whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has a reasonably estimated impact on the estimated future cash flow of the financial asset or the group of financial assets. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulties, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial restructuring and where observable data indicate that there is a measurable decrease in the estimated future cash flow, such as changes in arrears or economic conditions that correlate with defaults.

Financial assets carried at amortized cost
For financial assets carried at amortized cost, first the Group assesses individually whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognized are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has incurred, the amount of the loss is measured as the difference between the carrying amount of the asset and the present value of estimated future cash flow (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flow is discounted at the original effective interest rate of the financial asset. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognized in the Income Statement. Interest income continues to be accrued on the reduced carrying amount and is accrued using the interest rate used to discount the future cash flow for the purpose of measuring the impairment loss.

The interest income is recorded as part of finance income in the Income Statement. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realized or has been transferred to the Group. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is adjusted to finance costs in the Income Statement.

Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the recoverable amount of the asset. The recoverable amount is the higher of the fair value of the asset or the cash-generating unit (CGU) less costs to sell, and its value in use, and is determined for an individual asset, unless the asset does not generate cash inflow that is largely independent from the cash flow of other assets or groups of assets. If the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flow is discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time-value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

Impairment losses of continuing operations are recognized in the Income Statement in those expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, or CGU, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the Income Statement unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

Booked Value method

The book value method is applied to mergers where the merging companies are under common control without any restatement of comparative figures. Differences between the agreed consideration and the carrying amount of the acquiree are recognised directly through equity.

Definitions

Earnings per share (EPS) and diluted earnings per share (D-EPS) are calculated according to IAS 33. Other key ratios are calculated in accordance with "Recommendations and Ratios" issued by the Danish Finance Society.

Gross margin	Gross profit/loss x 100 / Revenue
EBITDA margin	Earnings before interest, tax, depreciation and amortisation (EBITDA) / Revenue
EBIT margin	Earnings before interest and tax x 100 / Revenue
Equity ratio	Equity (end of year) excl minority interests x 100 / Total assets
Return on equity	Net profit/loss x 100 / Average equity
Earning Per Share Basic (EPS Basic)	Net profit/loss / Average number of shares in circulation
Net asset value per share (BVPS)	Equity / Number of shares, year end
Price/net asset value	Market price / BVPS
Net working capital (NWC)	Inventories + Trade Receivables + Other Current Assets - Trade Payables (excluding Trade Payables related to Assets Under Construction and current tax assets/liabilities) - Other Current Liabilities
Gearing ratio	Net interest-bearing debt / Equity incl minority interests
Return on invested capital (ROIC)	EBIT / Average invested capital
Invested capital	NWC + property, plant and equipment + intangible assets- other provisions- other non-current liabilities

2. MATERIAL ACCOUNTING ESTIMATES AND UNCERTAINTIES

Estimates and assessments

The calculation of the carrying amounts of certain assets and liabilities at the Balance Sheet date requires an estimate of how future events will affect the value of such assets and liabilities. Estimates vital to the financial reporting are made in the calculation of, inter alia, depreciation, amortisation and impairment losses, provisions as well as contingent liabilities and assets.

The estimates applied are based on assumptions which Management believes to be reasonable, but which are inherently uncertain and unpredictable. Such assumptions may be incomplete or inaccurate, and unexpected events or circumstances may arise afterwards. In addition, the Company is subject to risks and udgments (E.g. operational lease vs. financial lease classification, assessment of assets held for sale, classification of investments) that may cause actual results to deviate from the estimates. Risk factors which are specific to the Group are described in Note 3.

To the extent possible, the notes to the financial statements disclose information about assumptions regarding the future and other estimation uncertainties relating to estimates at the balance sheet date involving a considerable risk of changes that could lead to a material adjustment of the carrying amount of assets or liabilities within the upcoming financial year.

The accounting estimates which are relevant to the Management Board in the preparation of the Consolidated Financial Statements are described in note 14, 22, 30.

3. RISK MANAGEMENT

Athena's risk management activities apply to the individual projects and are related to a wide range of parameters, including political and regulatory matters. Risk management operations are currently approved by the Board of Directors at its meetings. In addition to risks relating to the individual projects, Athena also seeks to manage its overall risks by diversifying its operations in several countries under different tariff systems, and in the individual countries, by diversifying its operations in different regions. Additionally, Athena seeks to manage its overall risks by a diversification in the technologies and applied.

Athena carefully evaluates every single project offered to the Company before committing resources to such project. The evaluation is formalised in a comprehensive due diligence review, including legal, financial and technical audits and other relevant criteria. In spite of a thorough reviewing process, there will always be risks related to the Company's activities.
Athena's activities cover the following two phases:

1) Operation of renewable energy projects
2) Acquisition of renewable energy projects

The specific risks related to the two phases are reviewed below. The review contains the risks that Athena has identified on the basis of its experiences to date. The review is not necessarily exhaustive and the various risks have not been prioritised.

Operations of renewable energy projects
The risk of operating renewable energy projects basically relates to weather conditions, the mechanical operations of the wind turbines/solar panels, credit risk related to the buyer of electricity and green certificates, political risks and variations in settlement prices.

Risk relating to weather conditions
Weather conditions may vary and impact production and thereby earnings in the individual plant. To minimise this risk, the Company only considers projects for which weather conditions have been analysed with data covering a period of not less than 12 months. Often, there will also be weather data generated by referenced measuring stations over a longer period to support the data measured. Even with lengthy weather measurements, however, and under normal operations of the projects, changes will occur in weather conditions, which may affect the results of a specific year.

Mechanical risk
Operating failures may occur resulting in the projects not generating power for short or long periods of time.

Athena seeks to minimise this risk by concluding current service and maintenance agreements with suppliers of wind turbines and electrical installations. The agreements bind the suppliers to react as quickly as possible to operating failures. Athena focuses on the supplier having a wellfunctioning service organisation in the country where the operating assets are located.

During the service and maintenance period, the wind turbine supplier also guarantees that the turbines are available for production typically 95- 97% of the time. Where this is not the case, the wind turbine supplier is liable to pay a penalty. Athena has an internal department managing the solar projects. Athena has implemented its own monitoring system of solar projects, which gives complete control of the actual operating status and performance of each project. This system enables immediate action if operating issues arise and, consequently, minimises the loss of production.

Athena's renewable energy projects are insured against consequential losses. The typical consequential loss insurance covers production loss due to technical problems with a deductible for the first 48-120 hours. The consequential loss is calculated on the basis of production figures from other power-generating units in the project. The insurance does not cover consequential losses due to lack of wind/solar, grid errors, grid failure, repairs and other disturbances that may reduce the output capacity of the project.

Credit risk related to the buyer
In Italy and Spain, electricity generated by renewable projects is sold through a power exchange, where only players who meet their obligations may participate. Athena considers this to be an acceptable credit risk. In Poland, the electricity generated by the wind turbines is sold to the power company in the area where the wind turbines are installed. Hence, the credit risk is related to the power company and as these are typically financially very strong, this risk is limited.

In Italy and Spain, the feed-in-tariff is paid by the respective National Authorities. Incentives are counter guaranteed by the Government and therefore this is considered as being a country risk.

In Poland, Green certificates are traded in an exchange system where only players who meet their obligations may participate. Athena considers this to be an acceptable credit risk.

Political risk
The Company's investment calculations are based on the laws and settlement terms applying at the time when the individual investment is decided. If the regulatory framework changes as a result of political decisions, this could impact the profitability of the individual investment. In Poland, producers of renewable energy from wind are subsidised by the green certificates and the income from the sale of these certificates is a supplement to the price of the power produced. This also applies to Spain and Italy where subsidisation takes place by way of guaranteed tariffs for the life of the project. If the rules on allocation and settlement of incentives are changed, this could impact the Company's income base.

Risk related to variations in settlement prices
A wind farm is estimated to have a technical lifetime of 25 years (according to the reassessment made by the Group at the beginning of 2015, the useful life of the wind farms shifted from 20 to 25 years) and a solar project is estimated to have a technical lifetime of 25-30 years. Naturally, investment calculations for such a long-time horizon must be based on several assumptions, such as developments in settlement prices.

The settlement price of Athena wind assets in Italy and Poland is based on a granted incentive composed of Feed-in-Tariffs or Green Certificates for 15 years and Energy Market Price; in Spain it is calculated through a fixed price by the Authority on a plant-by-plant basis for 20 years plus the Energy Market Price.

The settlement price of Athena solar assets in Italy and Spain is based on guaranteed tariffs for a period of 20 or 30 years respectively plus the Energy Market Price.

Acquisition of renewable energy projects
Athena has a strategy of making acquisitions of operating renewable energy projects. Acquisition may take place by way of acquiring individual projects or by way of acquisition of/merger with companies with portfolios of renewable energy projects. Risks arising during the acquisition process concern primarily access to information, regulatory requirements, possibility of transferring rights/ financing, etc, determination of acquisition price and price structure as well as expenses incurred with respect to the acquisition activities.

Risk related to access to and possibility of information verification
Especially in connection with acquisition of companies there may be, in some cases, limits to the scope of information available with respect to technical, legal, tax and financial matters. Limits may also be encountered with respect to the possibility of having such information verified. This may result in material risk related to the calculation of the expected yield from a possible investment.

Athena has a procedure in place for assessing potential acquisition targets and has specific requirements for information, the analysis of such information as well as the testing/ verification of the information. The Company has developed calculation models for the financial valuation of projects.

Regulatory requirements risk
In connection with the acquisition of a single project there may be local regulatory requirements concerning the transfer of the title to the projects related to rights of the use of land, connection to the electricity grid or guaranteed tariffs. Transfer of such matters is decisive to the profitability of a project.

In connection with the acquisition of companies, the above matters may also apply and there may moreover be regulatory requirements by way of competition laws, duty to prepare prospectuses, redemption offers, etc.

During all acquisition processes, Athena will lever on the assistance from well-esteemed legal advisers with special competence within this field. This ensures that Athena can optimise a potential take-over and ensure that terms and conditions incorporated into the agreements make the acquisition conditional to regulatory acceptance.

Risk related to possibility of transfer of rights/ financing
Any take-over of projects or companies may involve a number of agreements including service and maintenance agreements, production sales agreements as well as financing arrangements containing special clauses for change in ownership. The transfer of such agreements is decisive to the profitability of the project.

Risk related to determination of the acquisition price and price structure
To the extent possible, Athena wants to utilise the Company's treasury shares in connection with acquisition of companies. As the Company's share price may be volatile and the seller may have special requirements as to the liquidity of Athena' shares, this may have a material impact on the investment.

In an acquisition, Athena will determine the possible price structure as well as the market price and number of shares to be used for the acquisition as soon as possible. This minimises the risk of fluctuation in the yield of the investment.

Risk related to expenses incurred for acquisition activities
In connection with acquisition of projector companies, the Company uses a number of external consultants as technical, legal and financial experts. Although fee agreements are concluded in contracting such experts, budget overrun may occur due to significant increase in scope of work or additional regulatory requirements. This may result in reduced profitability of the investment.

Athena has prepared a procedure for assessing potential reinvestment targets and has specific requirements for testing/verifying the information. Moreover, the Company has developed comprehensive financial valuation models of the projects.

General risks
Intellectual capital
The Company's core competencies involve project evaluation, financial engineering and operating renewable energy projects. A few key employees at Athena have comprehensive knowledge and experience in these fields which enable the Company to make decisions on a well-documented basis and Management also has a substantial network in the Company's focus markets and in the industry. Athena aims to retain these key employees by offering them challenges in a dynamic company, attractive pay and working conditions. To date, Athena has not encountered difficulties in recruiting or retaining employees.

Interest rate risk
Increases in interest rates may harm the profitability of individual projects, because 50-80% of the project sum is debt-funded. Thus, the policy of the Company is to conclude interest rate hedge agreements to minimise this risk where the interest rate is variable. Therefore, when concluding large project financing agreements, the Company also concludes a so-called "hedge agreement" which ensures that the final interest rate only fluctuates by a small spread of usually 2-2.5%. Reference is made to Note 30.

Currency risks
There is a sound currency equilibrium in Athena's cash inflow and outflow and between assets and liabilities. Athena's net interest-bearing debt is primarily denominated in EUR. Similarly, the main operating expenses are in EUR, which is the currency in which Athena expects to generate most of its income going forward.

Consequently, the Company's future accounting figures for operations and investments may be affected by possible exchange rate fluctuations throughout the entire process from budgeting and investment until payment is made or received. Reference is made to Note 30.

Project financing
The production of energy is a capital intense business requiring financing provided largely by credit institutions. Therefore, the optimisation of the capital structure of the Company is a key element of the overall performance of the business. For each project, the Company makes an assessment of the maximum leverage to obtain from the credit institutions subject to the performance of the project. The higher the leverage, the higher the internal rate of return of each project. But an excessive leverage could also lead to a breach of covenants or a reduced cash flow to the shareholder when the performance of the project is affected by operating risks such as poor weather conditions or a decrease in energy price.

Athena has a number of existing material financing contracts which could impact the transferability in the event of a takeover. A change in ownership and control on the project Companies could impact the current financing agreements. A potential new owner should be accepted by the financing parties in order to avoid the anticipated reimbursement of the outstanding debt. Should the potential owner neither be accepted by the current financing parties nor be able to find new financing parties, the ownership of the assets would be transferred to the current financing parties.

Environmental risk
There are no special environmental risks related to Athena's activities. On the contrary, renewable energy generation contributes to a cleaner and better environment. All projects require local environmental approval, which ensures that the Company acts in accordance with applicable legislation.

Insurance risk
Athena uses insurance to cover the most significant risks, but there can be no assurance that the Company is or will be 100% covered in case of major disruptions in production at the wind farms or solar plants.

Research and development risk
Athena has no independent research and development activities, but exploits the latest knowhow of wind turbine/solar panel manufacturers and other business partners.

4. SEGMENT INFORMATION

Accounting policy

Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, and sales taxes or duty

Sale of goods

Income from sales of goods is recognised upon appropriate transfer of control.

Sales of electricity

Revenue from the sale of electricity is recognised from the time when production output was delivered to the power network but has still not been invoiced, and is calculated on the basis of readings of installed production metres. Revenue is calculated in accordance with the domestic laws applicable in the country where it is produced. Revenue from green certificates and other incentive systems is recognised as revenue at the time when the related power is generated. Revenue is recognised on the basis of the average price of green certificates in the period when entitlement is earned

Rendering of services

Revenues from services rendered are recognised in the Income Statement over time and only when the outcome of the service rendered can be estimated reliably.

Production costs

Production costs comprise the costs incurred to obtain the revenue for the year. Cost comprises consumables as well as maintenance and depreciation, etc.

Administrative expenses

Administrative expenses comprise expenses for wages and salaries, office premises, office expenses, sales expenses, travelling expenses, advisory services and depreciation, etc.

Segment information

Segment reporting is made in respect of different technologies which are the Group primary segments. Segments are based on the Group's structure and internal financial reporting system as determined by the Management Board. Segment information has been prepared in accordance with the Group accounting policies.

Segment income and segment costs as well as segment assets and liabilities comprise those items that can be directly attributed to each individual segment and those items that can be allocated to the individual segments on a reliable basis.

The segment table on represents the Group's operating segments. "Other" includes administrative expenses and all development and construction activities that cannot be allocated to segments.

There are no material transactions between the reporting segments, and the revenue listed for the segments is therefore external revenue. All eliminated intra-group transactions are included in "Other" and amounts to EUR 1,635K (2017: 2,051K).

The table on p. 58 presents a view of intangible and tangible assets and revenue by geography.

The following table presents a view of intangible and tangible assets and revenue by geography.

	WIND		SOLAR		OTHER		GROUP	
EUR'000	**2018**	**2017**	**2018**	**2017**	**2018**	**2017**	**2018**	**2017**
Revenue	28,875	32,135	22,593	23,999	271	309	51,739	56,443
Operating profit/loss (EBIT)	12,012	16,180	10,727	10,914	-4,863	-4,071	17,876	23,023
Income from investments in Joint Ventures	2,037	2,153	-	-	-	-	2,037	2,153
Profit/loss before tax	6,072	8,065	4,109	3,682	-1,628	92	8,553	11,839
Profit/loss for the year	**4,874**	**6,915**	**2,526**	**1,797**	**-2,457**	**96**	**4,943**	**8,808**
Non-current assets	176,613	190,833	129,519	138,043	5,156	7,048	311,288	335,924
- of which shares in associates and Joint Ventures	28,381	27,977	-	-	-	-	28,381	27,977
Addition, fixed assets	28	38	249	7	22	38	299	83
Depreciation	-8,481	-9,600	-8,471	-8,351	-382	-487	-17,334	-18,438
Impairment	-2,973	-	-	-	-738	-	-3,711	-
Current assets	20,939	23,001	19,327	19,640	50,642	34,905	90,908	77,546
Assets classified as held for sale	-	8,975	-	-	1,100	-	1,100	8,975
Segment Assets	**197,552**	**222,809**	**148,846**	**157,683**	**56,898**	**41,953**	**403,296**	**422,445**
Liabilities classified as held for sale	-	688	-	-	-	-	-	688
Segment Liabilities	**75,319**	**86,911**	**114,266**	**124,440**	**1,505**	**1,736**	**191,090**	**213,087**
Average number of employees	4	4	3	3	23	25	30	32
Number of employees	4	4	3	3	22	25	29	32

	INTANGIBLE AND TANGIBLE ASSETS		REVENUE	
EUR'000	**2018**	**2017**	**2018**	**2017**
Italy	170,051	186.792	37.897	39.232
Spain	77.964	82.437	13.673	13.554
Germany	-	-	-	2.466
Denmark	-	-	-5	1.001
Poland	212	1.735	174	190
Total	**248,227**	**270.964**	**51.739**	**56.443**
Transfer to held for sale				
Poland in 2018 (Germany in 2017)	1,100	6.847	-	-
Total held for sale	**-**	**6.847**	**-**	**-**

For Wind and Solar segments, there are no private customers and the revenue is fully originated by the sales of electricity to the domestic grid operator.

5. PRODUCTION COSTS AND ADMINISTRATIVE EXPENSES

Staff costs	GROUP		PARENT COMPANY	
EUR'000	**2018**	**2017**	**2018**	**2017**
Wages and salaries	2,243	2,059	582	588
Pensions	120	113	6	7
Other social security costs	526	460	4	4
Total Staff Costs	**2,889**	**2,632**	**592**	**599**
Board of Directors (remuneration)	247	201	247	201
Management (salary)	582	555	131	131
Management (provision for potential and paid bonus)	110	105	110	105
Total remuneration to Board of Directors and Management	**939**	**861**	**488**	**437**
Staff costs are recognised as follows:				
Production costs	167	442	-	-
Administrative expenses	2,722	2,190	592	599
Total Staff Costs	**2,889**	**2,632**	**592**	**599**

Staff costs	GROUP		PARENT COMPANY	
EUR'000	**2018**	**2017**	**2018**	**2017**
Average number of employees	30	32	4	4
Number of employees	29	32	4	4
- Of which consultants	1	1	-	-
- Of which employee under notice	-	2	-	-

Depreciation	GROUP		PARENT COMPANY	
EUR'000	**2018**	**2017**	**2018**	**2017**
Depreciation is recognised as follows:				
Production costs	17,249	18,277	-	402
Administrative expenses	85	161	-	-
Total Depreciation	**17,334**	**18,438**	**-**	**402**

For depreciation allocated on assets see Note 14.

6. FEE TO AUDITORS APPOINTED AT THE GENERAL MEETING

	GROUP		PARENT COMPANY	
EUR'000	**2018**	**2017**	**2018**	**2017**
EY:				
Statutory Audit	320	288	141	132
Tax Advice	55	44	11	14
Other services	23	40	13	40
Total Fee to Auditors	**398**	**371**	**165**	**186**

Fee in relation to other services from EY Denmark, EUR 23.9K consists of group reorganisation assistance.

7. FINANCIAL INCOME

Accounting policy

Interest income and expenses

Financial income and Financial expenses comprise interest income and interest costs, realised and unrealised foreign exchange gains and losses. Financial income and Financial expenses also include fair value adjustments of derivatives used to hedge liabilities, income and costs related to cash flow hedges that are transferred from Other comprehensive income on realisation of the hedged item.

Dividends

Dividends are recognised when the dividend is declared and approved by the General Meeting.

	GROUP		PARENT COMPANY	
EUR'000	**2018**	**2017**	**2018**	**2017**
Interest on receivables from subsidiaries	-	-	1,973	2,855
Interest on receivables from associates and Joint Ventures	10	41	10	41
Interest on bank account	11	2	-	1
Interest income	**21**	**43**	**1,983**	**2,897**
Exchange adjustment	18	49	-	-
Fair value adjustment of financial instruments	43	51	-	-
Dividend from subsidiaries	-	-	229	9,061
Total financial income	**82**	**143**	**2,212**	**11,958**

8. FINANCIAL EXPENSES

	GROUP		PARENT COMPANY	
EUR'000	**2018**	**2017**	**2018**	**2017**
Interest on payables to associates and Joint Ventures	-	-	5	5
Interest on bank loans	4,944	6,092	112	66
Interest expenses	**4,944**	**6,092**	**117**	**71**
Fair value adjustment of financial instruments	3.753	4,556	-	-
Exchange adjustment	-239	-239	-245	-238
Interest on financial leasing contracts	947	918	-	-
Total financial expenses	**9,405**	**11,327**	**-128**	**-167**

9. OTHER OPERATING INCOME/EXPENSES

Accounting policy
Income and expenses, other operation income and expenses which cannot be attributed directly to the primary operating activities of the Group but arise from fundamental changes in the structure, the perimeter or the processes of the Group and any associated gains or losses.

Management carefully considers such changes in order to ensure that accurate distinction is made between the operating activities and the restructuring activities of the Group which are carried out to enhance the future profitability of the Group.

Other operating income/expenses	GROUP		PARENT COMPANY	
EUR'000	2018	2017	2018	2017
Other operating income	1,970	495	-	-
Other operating expenses	-896	-668	-40	-224
Total Other operating income/expenses	**1,074**	**-173**	**-40**	**-224**

In 2018, other operating gains of EUR 2.0M (EUR 0.5M in 2017) are related to the sale of the German wind farm, to the reimbursement of the property tax (IMU) and to certain insurance reimbursements received during the year.

Other Operating Expenses amounted to EUR 0.9M (EUR 0.7M in 2017) and are mainly related to the loss of EUR -0.8M for the sale of the Polish wind farm.
In 2017, the extraordinary loss of EUR -0.6M for the sale of the Danish wind farm was included.

10. TAX ON PROFIT/LOSS FOR THE YEAR

Accounting policy
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. Current tax liabilities and current tax receivables are recognised in the Balance Sheet as estimated tax on the taxable income for the year, adjusted for tax on taxable income for prior years and for tax paid under the on-account tax scheme.

The Parent Company is taxed jointly with all its Danish subsidiaries. The current Danish income tax is allocated among the subsidiaries of the tax pool in proportion to their taxable income. Subsidiaries utilising tax losses from other subsidiaries pay joint taxation contributions to the Parent company equal to the tax value of the utilised losses, while subsidiaries whose tax losses are utilised by other subsidiaries receive joint taxation contributions from the Parent Company equal to the tax value of the utilised losses (full allocation). The jointly taxed subsidiaries pay tax under the Danish on-account tax scheme.

A tax consolidation also exists in Italy and Spain, respectively at GWM Renewable Energy S.p.A. and GWM RE Spain S.L. sub-group level.

	Group		Parent company	
EUR'000	2018	2017	2018	2017
Tax on profit/loss for the year	-3,610	-3,031	-534	-144
Total taxes for the year	**-3,610**	**-3,031**	**-534**	**-144**
Tax on profit/loss for the year is calculated as follows:				
Current tax	-3,339	-3,125	-534	-465
Deferred tax adjustment	-271	94	-	321
Tax effect of:	**-3,610**	**-3,031**	**-534**	**-144**
Tax on profit/loss for the year is specified as follows:				
Calculated figurative tax of profit/loss for the year *	-1,882	-2,605	1,287	-2,163
Adjustment of calculated tax in foreign group enterprises as compared to figurative tax rate	-462	-639	-	-
Income from investments in Joint Ventures	558	590	-	-
Dividend from subsidiaries	-	-	-50	-
Other non-deductible expenses/taxable income	-1,379	-377	-1,324	2,019
Tax on gain related to Gehlenberg KG	-446	-	-446	-
Total Tax effect	**-3,610**	**-3,031**	**-534**	**-144**

* The tax rates applied are 22% for 2018 and the same for comparative 2017.

11. EARNINGS PER SHARE

Accounting policy
Earnings Per Share (EPS) are calculated in accordance with IAS 33 as follows:

Earnings per outstanding share (EPS)

Profit attributed to equity holders of Athena Investments A/S

Average number of outstanding shares

	GROUP	
EUR'000	**2018**	**2017**
Profit/loss for the year	**4,943**	**8,808**
Average number of shares	101,367,381	101,367,381
Earnings per share (EPS basic), EUR	0.05	0.09

There is no difference between diluted and not diluted average number of outstanding shares.

12. INVESTMENTS IN SUBSIDIARIES

Accounting policy
Parent company
Investments in subsidiaries, associates and joint ventures are measured at cost in the parent company. Impairment testing is carried out if there is an indication of impairment. The carrying amount is written down to recoverable amount whenever the carrying amount exceeds the recoverable amount. The impairment loss is recognised as a finance cost in profit and loss. If the parent company has legal or constructive obligation to cover a deficit in subsidiaries, associates and joint ventures, a provision for this is recognised.

Assets - at 31 DECEMBER	PARENT COMPANY	
EUR'000	**2018**	**2017**
Cost at 1 January	**284,108**	**284,609**
Exchange adjustment	-799	-
Merger Subsidiaries	8,635	-
Transfer from Joint Ventures	37,304	-
Disposal	-3,980	-501
Cost at 31 December	**325,268**	**284,108**
Impairment loss at 1 January	**134,429**	**134,672**
Exchange adjustment	-349	197
Transfer from Joint Ventures	12,006	-
Transfer from Shareholders loan	44,179	-
Disposal		-440
Impairment loss for the year	5,057	-
Impairment loss at 31 December	**195,322**	**134,429**
Carrying amount at 31 December	**129,946**	**149,679**

Disposal includes the sale of Gehlenberg and Eolica Pulczyno. At Parent company level, an impairment test has been made in order to assess the value of the investments in subsidiaries. The impairment result of EUR 5,057 is mainly due to the increase of WACC, based on the increase of the Italian government bonds and an overall decrease in long-term price expectations (refer to Note 14 for the assumptions applied).

Other movements of the year are related to the Company's corporate restructuring. During the first semester of 2018, a corporate restructuring was implemented through mergers and contribution of shares with the aim of creating a subholding company containing all the Italian solar and wind assets.

This have resulted in transfers from joint ventures and from shareholder loan. The internal restructuring have not had any impact on the profit and loss for the parent company.

In 2017:
- Disposal includes the liquidation of the subsidiary Wiatropol Puck Sp. z.o.o

13. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

Accounting policy

Group

The Group's investments in its associate and joint venture are accounted for using the equity method. Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date.
The statement of profit or loss reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture. The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the statement of profit or loss in operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate or joint venture.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group. After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, then recognises the loss as 'Share of profit of an associate and a joint venture' in the statement of profit or loss. Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

Parent Company

Investments in associates and joint ventures are measured at cost in the parent company. Impairment testing is carried out if there is an indication of impairment. The carrying amount is written down to recoverable amount whenever the carrying amount exceeds the recoverable amount. The impairment loss is recognized as a finance cost in profit and loss. If the parent company has legal or constructive obligation to cover a deficit in associates and joint ventures, a provision for this is recognized.

INVESTMENT IN ASSOCIATES AND JOINT VENTURES

Assets - at 31 December	Group		Parent company	
EUR'000	**2018**	**2017**	**2018**	**2017**
Cost at 1 January	**33,659**	**33,659**	**37,304**	**37,304**
Disposal due to contribution in kind	-	-	-37,304	-
Cost at 31 December	**33,659**	**33,659**	**-**	**37,304**
Adjustments at 1 January	**-5,682**	**-8,700**	**-12,006**	**-11,975**
Exchange adjustment	-	-	-	-31
Disposal due to contribution in kind	-	-	12,006	-
Dividend paid	-2,127	-	-	-
Profit/loss for the year	2,037	2,153	-	-
Other comprehensive income	494	865	-	-
Impairment loss at 31 December	**-5,278**	**-5,682**	**-**	**-12,006**
Carrying amount at 31 December	**28,381**	**27,977**	**-**	**25,298**

	GREENTECH MONTE GRIGHINE Srl	
1 January - 31 December	Joint Venture	
EUR'000	**2018**	**2017**
Registered office	Italy	Italy
Ownership	50.00%	50.,00%
Revenue	18,052	19,289
Production costs	-10,203	-9,845
Administrative expenses	-208	-561
Financial income	1	1
Financial expenses	-3,305	-3,859
Profit/loss before tax	4,337	5,025
Tax on profit/loss for the year	-264	-719
Profit/loss for the year	4,073	4,306
Other Comprehensive income	988	1,730
Total comprehensive profit/loss for the year	5,061	6,036
Athena's share of Comprehensive income of the year	**2,531**	**3,018**
Dividend received	-	-
Non-current assets	**101,341**	**107,940**
including:		
Deferred tax	173	548
Current assets	**12,132**	**15,835**
including:		
Cash at bank and in hand	3,543	6,485
Non-current liabilities	**46,499**	**57,305**
including:		
Deferred tax liabilities	1,769	1,657
Credit institutions	38,245	46,710
Current liabilities	**10,212**	**10,517**
including:		
Credit institutions	6,304	6,981
Income tax	333	402
Equity	56,762	55,953
Equity (Athena's share)	**28,381**	**27,977**
EBITDA CALCULATION		
Profit/loss before tax	**4,337**	**5,025**
Total Depreciation and amortisation	-6,260	-6,251
Financial income	1	1
Financial expenses	-3,305	-3,859
EBITDA	**13,901**	**15,134**

The data provided have been adjusted to the level at which they are recognised in the Consolidated Financial Statements. Not all data are publicly available, as not all companies have a duty of disclosure. The contractual relationship between Athena and EDF means that Athena only has the rights to the net assets of Greentech Monte Grighine as it is treated as a joint venture.

14. INTANGIBLE ASSETS, PROPERTY, PLANT AND EQUIPMENT

Accounting policy

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost encompasses the acquisition price and costs directly associated with the purchase until the time when the asset is ready to be brought into use. For assets produced in-house, cost comprises direct costs of materials, components, third-party suppliers, labour and borrowing costs. Cost is increased by the present value of estimated liabilities for the removal and disposal of the asset and restoration of the site on which the asset was used. The cost of a total asset is broken down into components that are depreciated separately if the useful lives of each components varies significantly.

The reassessment of useful life and residual value is performed at least once a year based on the potencial technical and economical ability.

Subsequent expenses (e.g. for replacing components of an asset) are recognised in the carrying amount of the related asset when it is probable that the expense will lead to future economic benefits for the Group. The replaced components are no longer recognised in the Balance Sheet and the carrying amount is transferred to the Income Statement. All other ordinary repair and maintenance costs are recognised in the Income Statement when incurred.

Property, plant and equipment are depreciated on a straight-line basis over the expected useful life of the assets/components as follows:

CATEGORY	USEFUL LIFE
Land and buildings	20 years
Wind farms	25 years
Solar plants	20years
Equipments	3-13 years

The basis of depreciation is calculated with due consideration to the asset scrap value, reduced by any impairment losses. The scrap value is determined at the date of acquisition and revalued each year. When the residual value exceeds the carrying amount of the asset, the asset ceases to be depreciated. If the depreciation period or the residual values are changed, the effect on depreciation going forward is recognised as a change in accounting estimate. Depreciation is recognised in the Income Statement in production costs and administrative expenses, respectively, to the extent that deprecation is not included in the cost of assets of own construction.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Intangible assets - Goodwill

At initial recognition goodwill is recognised in the balance sheet at cost. Subsequently, goodwill is measured at cost less accumulated impairment losses. Goodwill is not amortised. An impairment test is performed at least once a year. The book value of goodwill is allocated to the Group's cash generating units at the time of acquisition.

Other intangible assets

Other intangible assets relate to concessions & rights which are recognised if it is probable that the expected future economic benefits attributable to the asset will flow to the Group and the cost of the asset can be measured reliably.

Intangible assets are measured at cost, including all direct attributable costs relating to their acquisition or their utilisation. Intangible assets acquired in a business combination are measured at fair value at the acquisition date.

Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

Each intangible asset has either definite or indefinite useful life. Intangible assets with definite useful lives are depreciated on a systematic basis reflecting the pattern of use over their estimated useful life; if the pattern of use cannot be determined reliably, a straight-line basis is used. The depreciation period and method are reviewed at least once a year, at closing date. Changes in the expected useful life or in the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the depreciation period or method, as appropriate, and are treated as changes in accounting estimates.

The carrying value of assets with definite useful lives is reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. Impairment losses are reversed in case of changes in circumstances that determined the initial impairment. The Group does not have any intangible assets with indefinite useful lives.

A summary of the policies applied to the main intangible assets is as follows:

Concessions & Rights

Useful life of 20 - 25 years;

Depreciated on a straight-line basis for the shortest of:

- Legal period of contract;
- Expected period of utilisation.

INTANGIBLE ASSETS, PROPERTY, PLANT AND EQUIPMENT 2018

GROUP - at 31 December

EUR'000	Goodwill	Other intangible assets	Land and buildings	Plant	Equipment	Plant under costruction
Cost at 1 January 2018	**6,521**	**45,260**	**3,057**	**308,825**	**539**	**275**
Exchange adjustment	-	-	-	-	-2	-
Additions	-	21	-	249	1	28
Reclassification	-	-	-1,201	-	-15	15
Disposals	-	-750	-	-1,818	-39	-
Cost at 31 December 2018	**6,521**	**44,531**	**1,856**	**307,256**	**484**	**318**
Depreciation/impairment at 1 January 2018	3,904	15,286	32	73,905	320	68
Exchange adjustment	-	1	-	20	-6	1
Reclassification	-	-	-64	-	-	-
Disposals	-	-262	-	-843	-30	-
Impairment for the year	-	365	100	2,608	-	-
Depreciation	-	1,999	32	15,238	65	-
Depreciation/impairment at 31 December 2018	3,904	17,389	100	90,928	349	69
Carrying amount at 31 December 2018	**2,617**	**27,142**	**1,756**	**216,328**	**135**	**249**
Hereof financial lease assets	**-**	**-**	**-**	**19,621**	**-**	**-**
The carrying amount can be specified as follows:						
Wind	2,617	17,049	-	109,432	18	-
Solar	-	10,093	1,756	106,896	55	-
Other	-	-	-	-	62	249
	2,617	**27,142**	**1,756**	**216,328**	**135**	**249**
Trasfer to held for sale	**-**	**-**	**1,100**		**-**	**-**
Depreciated over	n/a	20-25 years	20 years	20-25 years	3 - 13 years	n/a

INTANGIBLE ASSETS, PROPERTY, PLANT AND EQUIPMENT 2017

GROUP - at 31 December

EUR'000	Goodwill	Other intangible assets	Land and buildings	Plant	Equipment	Plant under costruction
Cost at 1 January 2017	**6,521**	**45,332**	**3,019**	**338,122**	**855**	**269**
Exchange adjustment	-	-	-	71	2	6
Additions	-	7	38	11	27	-
Reclassification	-	-	-	-10,943	-	-
Disposals	-	-79	-	-18,436	-345	-
Cost at 31 December 2017	**6,521**	**45,260**	**3,057**	**308,825**	**539**	**275**
Depreciation/impairment at 1 January 2017	3,904	13,311	-	75,884	597	63
Exchange adjustment	-	1	-	27	-2	5
Reclassification	-	-	-	-3,839	-	-
Disposals	-	-79	-	-14,448	-347	-
Impairment reversal from prior year	-	-	-	-	-	-
Depreciation	-	2,053	32	16,281	72	
Depreciation/impairment at 31 December 2017	3,904	15,286	32	73,905	320	68
Carrying amount at 31 December 2017	**2,617**	**29,974**	**3,025**	**234,920**	**219**	**207**
Hereof financial lease assets	**-**	**-**	**-**	**20,938**	**-**	**-**
The carrying amount can be specified as follows:						
Wind	2,617	19,014	-	120,334	38	-
Solar	-	10,960	1,756	114,586	77	-
Other	-	-	1,269	-	104	207
	2,617	**29,974**	**3,025**	**234,920**	**219**	**207**
Trasfer to held for sale	**-**	**-**	**-**	**6,847**	**-**	**-**
Depreciated over	n/a	20-25 years	20 years	20-25 years	3 - 13 years	n/a

INTANGIBLE ASSETS, PROPERTY, PLANT AND EQUIPMENT 2018

PARENT - at 31 December	
EUR'000	**Equipment**
Cost at 1 January 2018	**210**
Disposals	-
Cost at 31 December 2018	**210**
Depreciation/impairment at 1 January 2018	210
Disposals	-
Depreciation	-
Depreciation/impairment at 31 December 2018	210
Carrying amount at 31 December 2018	**-**
Depreciated over	3-13 years

INTANGIBLE ASSETS, PROPERTY, PLANT AND EQUIPMENT 2017

PARENT - at 31 December		
EUR'000	**Plant and machinery**	**Equipment**
Cost at 1 January 2017	**17.545**	**1.044**
Disposals	-17,545	-834
Cost at 31 December 2017	**-**	**210**
Depreciation/impairment at 1 January 2017	13,756	1,037
Disposals	-14,158	-827
Depreciation	402	-
Depreciation/impairment at 31 December 2017	-	210
Carrying amount at 31 December 2017	**-**	**-**
Depreciated over	25 years	3-13 years

Accounting policy

Impairment of non-financial assets and sensitivity analysis

An impairment exists when the carrying value of an asset or Cash Generating Unit (CGU) exceeds its recoverable amount, which is the highest of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on available data from sales transactions at arm's length of similar assets or observable market prices less incremental costs for the disposal of assets. The value in use calculation is based on a Discounted Cash Flow (DCF) model.

The cash flow deriving from the long-term industrial plan for the next years does not include restructuring activities that the Group is not yet committed to or significant future investment/ capital expenditures that would enhance the asset's performance of the CGU being tested. The Breakdown into cash generating units takes its starting point in the internal structure of the two segments, Wind and Solar. Based on this each wind and solar plant is defined as one CGU meaning total of 12 CGU's. Noncurrent tangible and intangible assets are attributed to the cash generating units, unless this cannot be done with a reasonable degree of certainty.

Other assets including holding costs which cannot with reasonable certainty be attributed to one or more of the cash-generating units are tested for impairment as a non-allocated Group asset.

Impairment test and sensitivity analysis
For the Annual Report 2018, the Management has performed an impairment test of the carrying amount at consolidated level of intangible assets including goodwill, property, plant and equipment and investments in associates and joint venture. At Parent company level, the Management has performed an impairment test of the carrying amount of investments in subsidiaries, investments in associates and joint venture and other non-current financial assets.

The discount rate utilised for the DCF model is the Weighted Average Cost of Capital (WACC) after tax. In the WACC calculation, the Management of Athena has made the following general assumptions:

- a risk-free rate represented by a 10-year government bond based on an average of the last 12 months in the individual countries in which the projects are based;
- beta unlevered based on the 5-year monthly adjusted beta of the sample of comparable companies;
- debt/equity ratio based on the average D/E of the sample of comparable companies;
- market-risk premium based on the average equity-market-risk premium for Western countries;
- average last-12-month of the 10-year IRS of the countries in which the projects are located;
- bank's margin based on the specific average spread of the Athena's existing financing of each country;
- income tax rate of each country.

Since the Spanish Law 24/2013 still grants to the Spanish authority to change the support scheme applicable, a specific risk premium for Spain of 1,5% has been included.

In 2018, the WACC for Athena ranges from 5.3% to 5.8% for wind and solar projects. The table below shows the WACC post-tax applied in 2017 and 2018.

WACC AFTER TAX

	2018	2017	delta
Solar Italy	5.30%	4.80%	0.50%
Solar Spain	5.80%	5.60%	0.20%
Wind Italy	5.50%	5.10%	0.40%
Wind Spain	5.50%	5.30%	0.20%
GES Services	5.60%	5.10%	0.50%

The WACC in 2018 was higher than in 2017 mainly due to the increase in the Italian and Spanish government bonds based on the economical and political volatility in Italy in 2018.

The recoverable amount for Wind and Solar assets is based on the over 20/25-year long-term industrial plan approved by the Management, without any terminal value. Here below, we describe the main assumptions underlying the long-term industrial plan for Wind and Solar assets.

Revenues
The revenues for the Wind segment are based on estimates of production of all wind farms (P75 scenario) prepared by technical consultants for Italian and Spanish plants, and on the average of historical production for the Polish plant.
The revenues for the solar segment are based on estimates of irradiance as per historical data and on the minimum guaranteed Performance Ratio as per O&M contract.

Regarding the tariffs to be applied to the production estimates, for Green Certificates and Feed-in-Tariffs, we considered each national legislation and the prices officially recognised by the government for each plant. For the electricity price, the Management utilised estimates based on independent studies (i.e. Ref-E) applying the most probable prices scenario from a statistic point of view.

Operating expenses
The operating expenses are based on existing contracts with suppliers: service and maintenance, land lease agreements, royalty agreements with the municipalities, property taxes, insurance, repairs etc. The estimates of operating expenses are consistent with the local regulations.

For the Italian wind farms, at the end of the financing period, the Management considered that Athena will be free to significantly reduce the perimeter of O&M activities and to make a saving of 30%, based on current price lists obtained by the suppliers. On the other hand, the Management has also considered a general increase in maintenance costs from 20 to 25 years.

Result of the impairment test
The outcome of the impairment test for 2018, is a write-off of EUR 3M allocated to the Energia Verde wind farm. The write-of is primarily related to an increased WACC, based on increase of Italian government bonds, and overall decrease in long-term price expectations. The Energia Verde wind farm is more exposed to long-term prices as the FiT is expiring in 2019.

Sensitivity analysis
The Management has performed a sensitivity analysis on the result of the impairment test made at consolidated level, based on the main assumptions taken one by one: a worst scenario based on an increase of 0.5% in WACC, a decrease of 5% in EBITDA and the related combined effects; a best scenario based on a decrease of 0.5% in WACC, an increase of 5% in EBITDA and the related combined effects.

The following table shows the result of this analysis.

Impairment test		Sensitivity		
		WORST CASE: reversal (impairment write-downs) considering worse scenario of discount factors and/or principal assumptions		
		Increase of +0,5% WACC	Decrease of -5% EBITDA	Combined Effect
by Technology	Wind	-8,670	-2,171	-11,358
	Solar	-	-	-
by Geography	Italy	-8,670	-2,171	-11,358
	Spain	-	-	-
	Total	**-8,670**	**-2,171**	**-11,358**

The figures above show that in the worst scenario an increase or decrease in the assumptions applied, other things being equal, would lead to an impairment of the group of assets of:
(i) an amount of EUR -8,670K for a 0.5% increase in WACC;
(ii) an amount of EUR -2,171K for a 5% decrease in EBITDA;
(iii) an amount of EUR -11,358K for the above mentioned combined effect. In all cases the impairment should be referred to the Italian wind farms. On the contrary, the best scenario shows a reversal of Energia Verde based on the increase and decrease in the assumptions applied.

Impairment test		Sensitivity		
		BEST CASE: reversal (impairment write-downs) considering better scenario of discount factors and/or principal assumptions		
		Dencrease of -0,5% WACC	Increase of +5% EBITDA	Combined Effect
by Technology	Wind	667	653	982
	Solar	-	-	-
by Geography	Italy	667	653	982
	Spain	-	-	-
	Total	**667**	**653**	**982**

15. OTHER NON-CURRENT FINANCIAL ASSETS

	GROUP		PARENT COMPANY	
EUR'000	**2018**	**2017**	**2018**	**2017**
Loans to subsidiaries	-	-	53,622	17,031
Loans to associates and Joint Ventures	-	1,081	-	1,113
Deposits	910	909	11	5
Deposits on accounts held as collateral	15,117	15,434	-	103
Other equity investments	29	29	29	29
Other receivables	4,800	5,400	4,800	5,400
Total other non-current financial assets	**20,856**	**22,853**	**58,462**	**23,681**

Other non-current financial assets are mainly represented by the Deposits on accounts held as collateral (DSRA) which guarantee the yearly instalment to credit institutions. As a result, the credit risk is very limited. Athena has no major individual receivables, and in terms of regions they are concentrated in Italy and Spain. See Note 4 on the distribution of assets by geography.

For receivables which all mature within one year after the end of the financial year, the nominal value is considered to correspond to the fair value. Reference is also made to Note 30 and 1.

Other receivables relate to the non-current financial credit to EDF after the sale of the Polish projects. In 2018, Athena recognised a write-down of EUR 0.6M. The payment from EDF of EUR 4.8M will be received when the terms in the sales agreement are fulfilled, which is expected within the next 24 months. The credit will be paid or converted into a minority stake in the projects when they will become operational.

16. INVENTORIES

Accounting policy

Inventories, except for contracts work-in progress, are stated at the lowest of cost or net sales price. The cost of inventories is determined by applying the weighted-average-cost method.

Work-in-progress relating to service contracts is stated on the basis of agreed contract revenue determined with reasonable certainty, recognised in proportion to the stage of completion.

The value of the inventories as of 31 December 2018, amounts to EUR 171K (2017: EUR 172K), which relates to a minimum storage of spare parts for our solar assets.

	GROUP		PARENT COMPANY	
EUR'000	**2018**	**2017**	**2018**	**2017**
Raw materials	171	172	-	-
Total inventories	**171**	**172**	**-**	**-**

17. TRADE RECEIVABLES

Accounting policy

Trade receivables

Trade receivables are recognised at harmonised cost, being the invoice value less any allowance for doubtful accounts or sales returns. All trade receivables denominated in a foreign currency are translated into Euro using the exchange rates in effect at the transaction date and, subsequently, converted to the year-end exchange rate. The exchange rate variance is accounted for in the Income Statement.

As per January 1, 2018 the Group and parent company has implemented IFRS 9. The group and parent company has previously applied the incurred loss model.

The Group's trade receivables comprise a few large companies and governments with high solvency ratios whereas the parent company has significant intercompany receivables. The intercompany receivables are annually tested for impairment based on an impairment test of the investments in subsidiaries.

As for the intercompany receivables from subsidiaries and for trade receivables, we have amended the specific method in which the impairment provision for expected credit losses for a 12 months period is assessed, in comparison to the simplified method (life time expected losses). On a historical basis has experienced no losses on trade receivables and the group companies are in all material aspects are able to settle the receivable as they fall due. As such, as in previous years, no impairment provision has been recognised as of 31 December 2018.

As for trade receivables the group is applying the simplified expected credit loss model. The model implies that the expected loss over the lifetime of the asset is recognised in the profit and loss immediately and is monitored on an ongoing basis until realisation. The Group has on a historical basis experienced very limited losses on trade receivables as these are towards large companies with high solvency ratio and Governments. As such, as in previous years, no impairment provision has been recognised as of 31 December 2018.

FiT (former Green Certificates)

Starting from January 2016, for plants entered into operation before 31 December 2012 a feed in- tariff (FiT) system replaced Green Certificates (GC). The FiT is calculated with the same formula of the previous GC, but it is based on the average electricity price of the previous year, instead of the one of the current year. Since the FiT price is already fixed for the current year, the FiT are measured to the mentioned recognised price.

	GROUP		PARENT COMPANY	
EUR'000	**2018**	**2017**	**2018**	**2017**
Trade receivables	6,022	9,720	-	87
Feed-in-tariff and other incentives	6,803	7,128	-	-
Total trade receivables	**12,825**	**16,848**	**-**	**87**
Transfer to held for sale	**-**	**442**	**-**	**-**

The Company is granted FiT and other incentives relating to its power production in Italy and Spain.

Italy has implemented a tariff system which guarantees a fixed price for granted certificates, FiT. Income from the FiT has been assigned as security for debt, see Note 27.

Incentives granted in Spain are settled at a one-month delay at a guaranteed price. Income from incentives has been assigned as security for debt, see Note 27.

18. OTHER CURRENT FINANCIAL ASSETS

Other financial receivables are mainly related to VAT requested for refunding.

	GROUP		PARENT COMPANY	
EUR'000	**2018**	**2017**	**2018**	**2017**
Loan to Joint Ventures	478	29	-	-
Other financial receivables	1,757	2,130	-	-
Total other current financial assest	**2,235**	**2,159**	**-**	**-**

19. OTHER CURRENT ASSETS

Other current assets are mainly related to VAT receivables and prepayments.

	GROUP		PARENT COMPANY	
EUR'000	**2018**	**2017**	**2018**	**2017**
Prepayments on projects	6	74	-	-
Other prepayments	2,349	2,344	-	-
Other receivables	3,035	3,270	111	58
Total other current assets	**5,390**	**5,688**	**111**	**58**

20. EQUITY

Accounting policy

Treasury shares

Treasury shares acquired by the Parent company or subsidiaries are recognised at cost directly in equity under retained earnings.

If treasury shares are subsequently sold, any consideration is recognised directly in equity.

	NUMBER OF SHARES		NOMINAL VALUE	
EUR'000	**2018**	**2017**	**2018**	**2017**
Share Capital at 1 January	106,662,695	106,662,695	71,623	71,623
Share Capital at 31 December	**106,662,695**	**106,662,695**	**71,623**	**71,623**
Treasury shares	5,295,314	5,295,314	-	-
Outstanding shares 31 December	**101,367.38**	**101,367.38**	**-**	**-**

The share capital consists of 106,662,695 shares of DKK 5 / EUR 0.67 nominal value each. No shares carry any special rights. The share capital is fully paid up. The portfolio of treasury shares subsequently amounts to 5,295,314 shares, corresponding to 4.96% of the share capital (2017: 5,295,314 shares). The shares were acquired for a total of EUR 14,919K and represented a market value of EUR 4,448K at 31 December 2018. The Company's portfolio of treasury shares is held for the purpose of potential acquisition of assets or companies.

21. DISTRIBUTIONS MADE AND PROPOSED

EUR'000	2018	2017
Cash dividends on ordinary shares declared and paid	**3,523**	**2,210**
Proposed dividends on ordinary shares	**42,000**	**3,523**
Cash dividend for 2018: 0,414 EUR/ share (3,094DKK/ share)		

Proposed dividends on ordinary shares are subject to approval at the Annual General Meeting.

22. DEFERRED TAX

Accounting policy

Deferred tax is calculated in accordance with the Balance Sheet liability method in respect of all temporary differences between the carrying amount and tax value of assets and liabilities. However, no deferred tax is recognised in respect of temporary differences regarding non-deductible goodwill and other items for which temporary differences - with the exception of acquisitions - have arisen at the acquisition date without affecting the financial results or taxable income. If the computation of the tax value were made according to alternative tax rules, deferred tax is measured on the basis of the intended use of the asset and settlement of the liability, respectively, as determined by Management.

Deferred tax assets, including the tax value of tax losses carried forward, are recognised under other long-term assets at the value at which they are expected to be used, either by setting off tax on future earnings or by setting off deferred tax liabilities within the same legal tax entity and jurisdiction.

Adjustments are made for deferred tax regarding elimination of unrealised intra-group gains and losses.

Deferred tax is measured based on the tax rules and rates that will apply in the respective countries under the legislation in force at the Balance Sheet date when the deferred tax asset is expected to crystallise as current tax. Changes in deferred tax resulting from changes in tax rates are recognised in the Income Statement.

Material accounting estimates and uncertainties

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax law, and the amount and timing of future taxable income. Differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. Deferred tax assets are reviewed annually by the Management and recognised only to the extent considered as sustainable in the future considering the timing and the level of future taxable profits together with future tax planning strategies of the Group.

The review done in 2018 led to a write-down in deferred tax assets of EUR 296K related to non-deductible interest expenses in Spain.

Deferred Tax Assets - at 31 December	**GROUP**	
EUR'000	**2018**	**2017**
Deferred Tax at 1 January	**12,289**	**13,562**
Adjustment of deferred tax related to hedging instruments	-571	-1,075
Adjustment for the year	-271	94
Disposal	494	-
Transfer to held for sale	-	-292
Deferred Tax at 31 December	**11,941**	**12,289**
Deferred tax is recognised in the balance sheet as follows:		
Deferred tax asset	13,816	14,126
Provision for deferred tax	-1,875	-1,837
	11,941	**12,289**
Deferred tax relates to:		
Equipment, plant and machinery	7,209	6,212
Tax loss carry-forwards	234	236
Other non-current assets	375	1,093
Other current assets	33	33
Other non-current liabilities	874	754
Fair Value of Financial Instruments	3,216	3,961
	11,941	**12,289**

Tax losses carried forward for EUR 235K (2017: EUR 235K) can be utilised indefinitely and are expected to be utilised within the next 12 months.

The remaining balance will be utilised during the lifetime of the projects (20-25 years) in accordance with each budget and local tax rule.

Deferred tax assets not recognised in the Balance Sheet	GROUP		PARENT COMPANY	
EUR'000	2018	2017	2018	2017
Temporary differences	-	-	-	-
Tax losses	-	-	-	-
Non-deductible interest expenses carry forwarded	7,215	9,407	-	-

The deferred tax asset not recognised at the end of 2018 EUR 7,215K (2017: EUR 9,407K) concerns postponements of the ability to have tax deductions of some of the interest paid in several legal entities in Italy. As tax rules of Italy put some restrictions on the timing of the taxable deduction of interest paid, it is uncertain whether and when the tax loss can be utilised.

Consequently, the Management has not recognised this deferred tax asset.

23. OTHER PROVISIONS

Accounting policy

Provisions for risks and charges

Provisions are recognised when the Group has a present obligation (legal or constructive), because of a past event, which is likely to generate an outflow of resources required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is reasonably certain. The expense relating to any provision is presented in the Income Statement net of any reimbursement.

In the measurement of provisions, the costs necessary to settle the liability are discounted. A pre-tax discounting factor is used that reflects the general level of interest adjusted for the specific risks that are believed to apply to the provision. The changes in present values for the financial year are recognised in financial expenses. Provisions are estimated by the Management considering the expected amount of the settlement of the liability. Restructuring costs are recognised as liabilities when a detailed, formalised restructuring plan has been communicated within the Balance Sheet date to the parties involved. Upon business acquisitions, restructuring provisions relating to the acquired enterprise are included in the calculation of goodwill only if the acquired enterprise has a liability at the date of acquisition.

Provisions are recognised in respect of lossmaking contracts when the unavoidable costs from the contract exceed the expected benefits.

Provision for restoration of sites

If the Group has an obligation to dismantle or dispose an asset or to restore the location where the asset is operated, a liability corresponding to the net present value of the expected future expenses is recognised. Provision relates to the restoration of sites used in the installation and operation of wind farms and solar plants. The restoration obligation is calculated as the present value of the estimated net costs of restoration when the wind farms and solar plants are decommissioned. This will occur no earlier than the end of the expected useful life.

	GROUP	
EUR'000	2018	2017
Provision for restoration of sites	3,703	3,545
Provision for other risks and charges	3,860	3,676
Total other provision	**7,563**	**7,221**
Transfer to held for sale	**-**	**396**

Provision for restoration of sites are expected to be utilised within 25 years for wind turbines and 20 years for solar plants starting from when the plant was commissioned. Provision for other risks and charges are expected to be utilised for EUR 2.8M within 10 years and the rest within 5 years.

24. PAYABLES TO CREDIT INSTITUTIONS

Accounting policy

Initial recognition and measurement

Financial liabilities within the scope of IFRS 9 can be classified, as appropriate; financial liabilities at fair value through the Income Statement, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value and in the case of loans and borrowings, plus directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, bank overdraft, loans and borrowings, financial guarantee contracts and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification as follows:

Credit institutions

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in the Income Statement when the liabilities are derecognised as well as through the effective interest rate method (EIR) amortisation process.

A financial liability is derecognised when the obligation under the liability is discharged cancelled or expired.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR. The EIR amortisation is included in finance cost in the Income Statement.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying, amounts is recognised in the Income Statement.

Due to the application of classification and valuation requirements of IFRS 9, the Group does not expects significant impacts on its Balance Sheet and Income Statement. Moreover, the Group analysed the characteristics of contractual cash flows of credits and liabilities, considering that they respect the criteria for the valuation at amortized cost in line with the IFRS 9. For instance, it would not be necessary to reclassify these financial instruments.

Please, notice that the Group holds in liabilities a Project Financing, granted to Minerva Messina in 2008, which has been subject to an amendment on 10 June 2010. In order to be compliant with the new accounting requirements of IFRS 9, the Group performed a retrospective analysis on the impacts derived from the amendment, through the comparison between the NPV of the old and new liability, both discounted at the original IRR. The difference between the two values is lower than 10% of the company of the old liability.

Hence, it is not necessary to derecognise it and register a new liability. Nevertheless, based on the new accounting rules provided by IFRS 9, the Company is required to account in Retained Earnings an adjustment in Financial Liability equal to Euro 0.7M, due to the difference between the net present value of the pre and post amendment liability.

	GROUP	
EUR'000	**2018**	**2017**
Payables to credit institutions are recognised as follows		
Non-current liabilities	140,376	158,374
Current liabilities	20,217	19,480
Total payables to credit institutions	**160,593**	**177,854**

Loan		GROUP	CARRYNG AMOUNT	
EUR'000	**EXPIRY DATE**	**TYPE**	**2018**	**2017**
EUR	2019	Fixed	1,388	1,392
EUR	2022	Floating *	20,358	24,863
EUR	2025	Floating *	1,847	2,088
EUR	2026	Floating *	12,680	15,151
EUR	2027	Floating *	47,934	51,796
EUR	2027	Fixed	4,311	4,652
EUR	2028	Floating *	52,145	56,322
EUR	2029	Floating *	19,930	21,590
Total payables to credit institutions			**160,593**	**177,854**

* The Group mitigates exposure to interest fluctuation by way of interest swap agreements. Consequently, the group pays an interest at a fixed rate and receives an interest at a variable rate. The interest rate hedge agreement instruments are regarded as a separate derivative financial instrument. The fair value of the agreements is disclosed in Note 30.

25. OTHER CURRENT LIABILITIES

Other payables are mainly related to accrued expenses and other tax payables (not income based).

	GROUP		PARENT COMPANY	
EUR'000	**2018**	**2017**	**2018**	**2017**
Payables to subsidiaries	-	-	-	498
Other payables	2,148	3,482	308	92
Total other current liabilities	**2,148**	**3,482**	**308**	**590**

BALANCE SHEET ASSETS HELD FOR SALE - AT 31 DECEMBER	HELD FOR SALE	
EUR'000	**2018**	**2017**
Property, plant and equipment	1,100	6,847
Total Non-Current Assets	**1,100**	**6,847**
Trade receivables	-	442
Cash at bank and in hand	-	1,686
Total Current Assets	**-**	**2,128**
Total Assets	**1,100**	**8,975**
Provision for deferred tax	-	292
Other deferred liabilities	-	396
Non-current liabilities	**-**	**688**
Current liabilities	**-**	**-**
Total Liabilities	**-**	**688**
Net Assets	**1,100**	**8,287**

26. ASSETS AND LIABILITIES CLASSIFIED AS HELD FOR SALE

Accounting policy

Non-current assets and disposal groups classified as held for sale are measured at the lowest of carrying amount and fair value less costs to sell. Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered through a sale transaction rather than through continuing use. Disposal groups are defined as a relatively large component of a business enterprise – such as a business or geographical segment under IFRS 8 – that the enterprise, pursuant to a single plan, either is disposing of substantially in its entirety or is terminating through abandonment or piecemeal sale. This condition is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Assets and liabilities transfer to held for sale

On January 2019, the Group made an agreement for the sale of the Polish building and according to IFRS 5 this asset was reported as asset held for sale. According to IFRS 5 the requirement to measure a non-current asset held for sale at the lower of carrying amount and fair value less cost to sell, gives rise to an impairment loss of EUR 0.1M.

As announced in Company Announcement No. 19/2017, in December 2017, Athena signed an agreement for the sale of its German wind farm Gehlenberg to Energiequelle GmbH. The sale was completed in January 2018 (please refer to Company Announcement No. 2/2018).

27. PLEDGES AND GUARANTEES

Parent company

Following the sale of the controlled company Windpark Gehlenberg Aps & Co. KG, and based on the related sale purchase agreement signed, the Parent company has issued to the buyer a guarantee of EUR 1.0M which will expire in 2022. The Parent company has issued a guarantee for loan related payments and has placed it as security for debt to credit institutions concerning the Energia Alternativa project for a maximum guaranteed amount of EUR 17,054K (2017 EUR 0).

Group

Wind and Solar projects

As of 31 December 2018, the following has been provided by the individual project companies as security for debt to credit institutions and financial leasing agreements entered into for the renewable energy projects:

- Right of subrogation in land lease agreements;
- Security in the wind turbines/solar panels installations;
- Pledge over the quota/shares in the project companies;
- Pledge over project companies' bank accounts;

- Assignment of Trade Receivables deriving from the regular sale of electricity, green certificates and other incentives as well as any reimbursement from insurance;
- Right of subrogation in VAT Receivables;
- Right of subrogation in any Receivables related to financial leasing agreements;
- Accounts held as collateral have been established for an aggregated amount of EUR 15,117K (2017: EUR 15,434K);
- VE7 (Parent Company of Minerva Messina) has issued a guarantee for loan related payments and has placed it as security for debt to credit institutions concerning the Minerva Messina project for EUR 20,294K (2017: EUR 25,426K);
- Other deposits for EUR 910K (2017: EUR 909K).

28. CONTRACTUAL OBLIGATIONS

The Company and its subsidiaries are part of several agreements concerning the operation of the projects in the countries where the Group is operating. Overall, each project has entered into the following categories of agreement:

1. Land Lease Agreements with the private owners of the lands on which the renewable energy projects are located. The lease is either a variable fee depending on the actual production of the year or a fixed annual payment. The lease runs for 20 to 30 years with an option for renewal. As of 31st December 2018, the total yearly contractual obligation related to land lease agreements amounted to EUR 1,028K (2017: EUR 1,008K). The total remaining contractual obligation amounted to EUR 18,769K (2017: EUR 19,797K).

2. Agreements with the local authorities (municipalities, consortia, etc.), under which the project company pays an annual tax/royalty for a certain period of time. The payment is either a variable fee depending on the actual production of the year or a fixed annual payment. As of 31st December 2018, the total yearly contractual obligation related to land royalty agreements amounted to EUR 900K (2017: EUR 883K). The total remaining contractual obligation amounted to EUR 17,474K (2017: EUR 18,374K).

3. Operation & Maintenance agreements of the project company. The agreements normally have a lifetime of 2-8 years from commencement of commercial operation with the option for renewal. As of 31st December 2018 , the total yearly contractual obligation related to Operation &Maintenance agreements amounting to EUR 4,741K (2017: EUR 4,713K). The total remaining contractual obligation amounted to EUR 3,596K (2017: EUR 7,382K) is primarily related to the renewal of Wind O&M agreements.

29. CONTINGENT ASSETS AND LIABILITIES

The claims against the Group concerning alleged breach of agreements or other non-contractual liabilities amount to EUR 126K (2017: EUR 365K) and are totally covered by provisions.

In 2015, the Group has started two arbitration procedures under the Energy Charter Treaty against respectively the Republic of Italy and the Kingdom of Spain in order to claim damages generated by the changes in the renewable energy framework. In November 2018, the Company was granted the final award for the arbitration against the Kingdom of Spain with a very positive outcome (see Company Announcement No. 17/2018) and it is currently challenging the appeal The Kingdom Spain has commenced with the SVEA Court of Appeal in order to overturn the Award. The confirmation procedure should take at least some months.
In December 2018, the Company was granted the final award for the arbitration against the Republic of Italy with a very positive outcome (see Company Announcement No. 21/2018). As the Republic of Italy hasn't voluntarily complied with the Award, the Company is currently filing the Petition to Confirm it.
Such procedure should last at least several months.

The Parent is jointly taxed with the Danish subsidiaries. The Parent Company, as the administrative company, together with the Danish subsidiaries, has joint and several unlimited liability for Danish corporation taxes. At 31 December 2018, the jointly taxed companies' net liabilities to SKAT (tax authorities) amounted to EUR 76K (2017: EUR 425K). Any subsequent corrections of the taxable income subject to joint taxation may entail that the Company's liability will increase.

30. FINANCIAL INSTRUMENTS

Accounting policy

Financial assets

Financial assets within the scope of IAS 39 are classified, as appropriate, as: financial assets at fair value through Income Statement, loans and receivables, held to- maturity investments, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Group determines the classification of its financial assets at initial recognition.

All financial assets are recognised initially at fair value plus, in the case of investments not at fair value through Income Statement, directly attributable transaction costs.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

The Group financial assets include cash and short-term deposits, trade and other receivables, loan and other receivables, quoted and unquoted financial instruments, and derivative financial instruments.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Derivatives

Derivative financial instruments are recognised at fair value at the transaction date in the Balance Sheet items fair value of derivatives in assets or equity and liabilities. Changes in the fair value of derivative financial instruments classified as hedging of expected future transactions are recognised in other comprehensive income and

accumulated in reserves for hedging instruments in equity. Any amounts deferred in equity are transferred to the income statement in the period in which the hedged item affects the Income Statement. Changes in the fair value of derivative financial instruments which do not meet the criteria of hedge accounting are recognised in financial income or financial expenses in the Income Statement.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate method (EIR), less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Income Statement. The losses arising from impairment are recognised in the Income Statement in finance costs.

Fair value of financial instruments

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs. For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include recent arm's length market transactions, reference to the current fair value of another instrument that is substantially the same and discounted cash flow analysis.

Credit risk

The Group is subject to credit risk with respect to receivables (see Notes 18 and 19) and bank deposits. The maximum credit risk corresponds to the carrying amount. Outstanding receivables are regularly followed up by the Company.
If uncertainty arises in respect of the customer's ability or willingness to pay a receivable, usually because payment is not made in accordance with the payment conditions, in case of bankruptcy or suspension of payments, and the Group finds that the claim therefore involves a risk, an impairment writedown is made to cover this risk. In 2018, the Group has not made any impairment write-downs on receivables (2017: EUR 0K).

The interest rate hedge agreements have been concluded with banks with at least a B rating from Moody's. The Group's distributable cash holdings and deposits in accounts held as collateral at 31 December 2018 were generally deposited with credit institutions that grant project financing to the Group. Consequently, the Group has a net debt to these credit institutions and Management therefore estimates that there are no credit risks involved with these cash holdings. At 31 December 2018, the Group had deposited distributable cash holdings according to the Group Treasury Policy, primarily using credit institution with an A rating from Moody's. Therefore, the Management estimates that the credit risk associated with these deposits is acceptable in view of the Group's present financial position.
The trade receivables is not due and EUR 6.0M will be paid within 60 days while EUR 6.8M related to FiT and other incentives will be paid within March and June 2019.

Liquidity risk (Group)

Loans raised for project financing have a maturity of up to 12 years. Other bank loans are renegotiated every year

MATURITIES 2017	0 - 1 years	1 - 4 years	>5 years -	Total*	Fair value **	Carrying amount
Measured at fair value						
Derivatives***	3,225	11,131	1,898	16,254	16,254	16,254
Credit institutions	28,653	101,327	95,061	225,041	177,854	177,854
Trade payables	2,859	-	-	2,859	2,859	2,859
Other non-current liabilities	-	641	6,580	7,221	7,221	7,221
Other financial liabilities	1,972	-	-	1,972	1,972	1,972
Total financial liabilities	**36,709**	**113,099**	**103,539**	**253,347**	**206,160**	**206,160**
Cash measured at amortized cost	48,562	-	-	48,562	48,562	48,562
Deposits on account held as collateral	-	103	15,331	15,434	15,434	15,434
Loans to associates	29	-	1,081	1,110	1,110	1,110
Deposits	-	5	904	909	909	909
Other receivables	2,302	5,429	-	7,731	7,731	7,731
Trade receivables	16,848	-	-	16,848	16,848	16,848
	67,741	**5,537**	**17,316**	**90,594**	**90,594**	**90,594**
NET	**-31,032**	**107,562**	**86,223**	**162,753**	**115,566**	**115,566**

* All cash flows are undiscounted and comprise all obligations under agreements concluded, including future interest payments on loans.

** In all material aspects the financial liabilitties are subject to a variable interest rate. Any interest rate hedges are separately accounted for at fair value. Thus the fair value of the financial liabilities is considered equal to the booked value.

*** In all material aspects the financial liabilitties are subject to a variable interest rate. Any interest rate hedges are separately accounted for at fair value. Thus the fair value of the financial liabilities is considered equal to the booked value.

Categories of financial instruments

Financial assets and liabilities at fair value are related to interest rates swaps all of which have been valued using a valuation technique with market observable inputs (level 2). The Group enters into derivative financial instruments with financial institutions. Derivatives valued using valuation techniques with market observable inputs are mainly interest rate forward contracts.

The most frequently applied valuation techniques include forward pricing models using present value calculations. The models incorporate various inputs including the credit quality of counterparties and interest SWAP. All derivative contracts are fully cash collateralised, thereby eliminating both counterparty and the Group's own non-performance risk.

MATURITIES 2018	0 - 1 years	1 - 4 years	>5 years -	Total*	Fair value **	Carrying amount
Measured at fair value						
Financial instruments***	3.737	8.489	1.176	13.402	13.402	13.402
Credit institutions	28.412	93.899	74.924	197.235	160.593	160.593
Trade payables	2.826	-	-	2.826	2.826	2.826
Other non-current liabilities	-	829	6.734	7.563	7.563	7.563
Other financial liabilities	1.469	-	-	1.469	1.469	1.469
Total financial liabilities	**36.444**	**103.217**	**82.834**	**222.495**	**185.853**	**185.853**
Trasfer to held for sale and discontinued operations	**-**	**-**	**-**	**-**	**-**	**-**
Cash	66.590	-	-	66.590	66.590	66.590
Deposits on account held as collateral	-	-	15.117	15.117	15.117	15.117
Loans to associates	478	-	-	478	478	478
Deposits	-	13	897	910	910	910
Other receivables	1.928	4.829	-	6.757	6.757	6.757
Trade receivables	12.825	-	-	12.825	12.825	12.825
	81.821	**4.842**	**16.014**	**102.677**	**102.677**	**102.677**
NET	**-45.377**	**98.375**	**66.820**	**119.818**	**83.176**	**83.176**

* All cash flows are undiscounted and comprise all obligations under agreements concluded, including future interest payments on loans.

** In all material aspects the financial liabilitties are subject to a variable interest rate. Any interest rate hedges are separately accounted for at fair value. Thus the fair value of the financial liabilities is considered equal to the booked value.

*** In all material aspects the financial liabilitties are subject to a variable interest rate. Any interest rate hedges are separately accounted for at fair value. Thus the fair value of the financial liabilities is considered equal to the booked value.

SPECIFICATION OF CREDIT INSTITUTIONS MATURITIES, 1-4 YEARS

YEAR	2018	2017
2018	-	28,653
2019	28,412	27,556
2020	26,285	25,855
2021	26,297	26,302
2022	21,623	21,614
2023	19,694	-
Total	**93,889**	**101,327**

GROUP	2018	2017
Unutilised credit facilities	2,310	2,000

Cash and Cash equivalent includes cash available for the holdings of EUR 51.7M (2017: EUR 35.1M) and cash available for project companies for EUR 14.9M (2017: 13.5M).

Liquidity risk (Parent company)

The Parent company's financial resources consist of bank loans, including project financing. Loans raised for project financing have a maturity of up to 2 years.

MATURITIES 2017	0 - 1 years	1 - 4 years	5 years -	Total*	Fair value **	Carrying amount
Trade payables	753	-	-	753	753	753
Other financial liabilities	590	-	-	590	590	590
Total financial liabilities	**1,343**	**-**	**-**	**1,343**	**1,343**	**1,343**
Cash measured at amortised cost	24,518	-	-	24,518	24,518	24,518
Deposits on account held as collateral	-	103	-	103	103	103
Loans to subsidiaries	-	-	17,031	17,031	17,031	17,031
Loans to Joint Ventures	-	-	1,113	1,113	1,113	1,113
Deposits	-	5	-	5	5	5
Other receivables	-	5,429	-	5,429	5,429	5,429
Trade receivables	87	-	-	87	87	87
	24,605	**5,537**	**18,144**	**48,286**	**48,286**	**48,286**
NET	**-23,262**	**-5,537**	**-18,144**	**-46,943**	**-46,943**	**-46,943**

* All cash flows are undiscounted and comprise all obligations under agreements concluded, including future interest payments on loans.

** In all material aspects the financial liabilitties are subject to a variable interest rate. Any interest rate hedges are separately accounted for at fair value. Thus the fair value of the financial liabilities is considered equal to the booked value.

MATURITIES 2018	0 - 1 years	1 - 4 years	5 years -	Total*	Fair value **	Carrying amount
Trade payables	104	-	-	104	104	104
Other payables	308	-	-	308	308	308
Total financial liabilities	**412**	**-**	**-**	**412**	**412**	**412**
Cash measured at amortised cost	31,556	-	-	31,556	31,556	31,556
Deposits on account held as collateral	-	-	-	-	-	-
Loans to subsidiaries	-	-	53,622	53,622	53,622	53,622
Loans to Joint Ventures	-	-	-	-	-	-
Deposits	-	13	-	13	13	13
Other receivables	-	4,829	-	4,829	4,829	4,829
Trade receivables	-	-	-	-	-	-
	31,556	**4,842**	**53,622**	**90,020**	**90,020**	**90,020**
NET	**-31,144**	**-4,842**	**-53,622**	**-89,608**	**-89,608**	**-88,943**

* All cash flows are undiscounted and comprise all obligations under agreements concluded, including future interest payments on loans.

** In all material aspects the financial liabilitties are subject to a variable interest rate. Any interest rate hedges are separately accounted for at fair value. Thus the fair value of the financial liabilities is considered equal to the booked value.

PARENT	2018	2017
Unutilised credit facilities	2,000	2,000
Unutilised overdraft facilities	-	-

Market risk

Currency risks

The Group's foreign entities are not affected by currency fluctuations, as loans are raised in the functional currency.

The consolidated income statement is affected by changes in exchange rates, because profits/losses of the Parent company and some of the foreign group enterprises are translated into euro using average exchange rates.

The Group's and the Parent company's currency risks are not hedged. Please see the risk management section in Note 3 for further information about currency risks.

Interest rate risks

In principle the interest-bearing financial liabilities of the Group carry floating interest rates, but the interest exposure is to a wide extent reduced through hedging instruments. See Note 24.
An interest rate change of 1% would impact the financial results by an amount of approximately EUR 1.0M (2017: EUR 1.2M) and a corresponding impact on equity. The change in sensitivity relative to last year is due to a substantial change in the Company's cash resources following the investments made.

Since in 2017 the Parent Company has totally reimbursed the loan to the Credit Institutions, there are no interest on the financial liabilities. The above-mentioned sensitivity analyses were made under the assumption that all other factors remain constant. Please see the risk management section (Note 3) for further information about interest rate risks.

Capital management

The Group and the Parent company consider the combined equity as capital. The Group pursues a policy of re-investing earnings in the Company. The Company and the Group have defined a target that equity should at least represent 20% of total assets. For the 2018 financial year, equity represented a higher proportion than the 20%. The Group and the Parent company are not in general governed by any external requirements on the size of the capital. However, with respect to the project financing agreements concluded, a minimum equity of 25% is required in the project companies.

Changes in liabilities arising from financing

LIABILITIES & FINANCIAL ASSET FROM FINANCING ACTIVITIES

EUR'000	2017	cash flows net	Other	2018
Credit Institutions :net amount of current and non-current	177,854	-18,045	784	160,593
Total liabilities from financing activities	**177,854**	**-18,045**	**784**	**160,593**

31. OPERATING AND FINANCIAL LEASES

Accounting policy

Leases in which the Company retains all significant risks and rewards of ownership (finance leases) are recognised in the Balance Sheet at the lowest of the asset's fair value and the present value of the minimum lease payments, calculated using the implicit interest of the lease as the discount factor, or an approximate value. Assets held under finance leases are depreciated and tested for impairment according to the same accounting policy as the Company's other long-term assets.

The capitalised residual lease liability is recognised in the Balance Sheet as a liability, and the interest element of the lease payment is charged to the Income Statement when incurred.

All other leases are considered operating leases. Payments in connection with operating leases are recognised in the Income Statement over the terms of the leases.

Operating lease commitments	GROUP		PARENT COMPANY	
EUR'000	2018	2017	2018	2017
Payments for non-terminable operating leases:				
0-1 years	1,518	1,491	20	20
1-5 years	4,790	4,999	-	-
> 5 years	13,313	14,448	-	-
Total	**19,621**	**20,938**	**20**	**20**

The Group has operating leases on land, offices, cars and copier. The lease term is typically between three and seven years with an option to extend on expiry on ordinary terms. No conditional lease payments are payable under the leases. This includes a non-terminable rent obligation for 60 months from the balance sheet date.

An amount of EUR 1,491K (2017: EUR 1,692K) relating to operating leases has been recognised in the consolidated income statement for 2018. An amount of EUR 20K (2017: EUR 35K) relating to operating leases has been recognised in the Parent company's income statement for 2018.

Finance lease and hire purchase commitments
The Group has finance leases and hire purchase contracts for items of plants.
These leases have terms of renewal, but no purchase options and escalation clauses. Renewals are at the option of the specific entity holds the lease.

Future minimum lease payments under financial leases and hire purchase contracts together with the present value of the net minimum lease payment are as follows:

Financial leasing	2018		2017	
EUR'000	Minimum payments	Present value of payments	Minimum payments	Present value of payments
0-1 years	3,041	2,050	3,443	2,364
1-5 years	12,505	9,510	12,094	8,702
> 5 years	12,820	11,525	15,838	13,950
Total minimum lease payments	28,365	23,085	31,375	25,016
Less amounts representing finance charges	-5,280	-	-6,359	-
Total	**23,085**	**23,085**	**25,016**	**25,016**

For more details on Financial lease, please refer to Notes 24 and 30.

32. RELATED PARTIES

The major shareholder of Athena Investments A/S, GWM Renewable Energy II S.r.l., has controlling influence on the Company. Athena's related parties comprise the Company's Board of Directors and Management as well as relatives of these persons.

Related parties also comprise companies in which the individuals mentioned above have material interests. For subsidiaries and Joint Ventures in which Athena has a controlling or significant influence, see Note 13 and Note 35.

Related party transactions
Information on trading with related parties is provided below:

	GROUP		PARENT COMPANY	
EUR'000	2018	2017	2018	2017
Sale of services to group companies	-	-	40	41
Sale of services to controlling parties	243	292	-	-
(GWM Renewable Energy) (management fee)	-	-	667	428

Transactions with subsidiaries have been eliminated in the consolidated financial statements in accordance with the accounting policies.

The Group and Parent company's balances with group enterprises and Joint Ventures at 31 December 2018 are specified in the notes to the balance sheet.

Interest income, dividends and interest expenses relating to group companies are shown in Notes 7 and 8.

In 2018, the Parent Company granted loans to subsidiaries and Joint Ventures, which are shown in the cash flow statement. In addition, there have been capital increases in subsidiaries, which are described in Note 12, 13, 15 and 25.

For information on remuneration to the Management and Board of Directors, see Note 5.

33. EXCHANGE RATES

	AVERAGE EXCHANGE RATE		YEAR-END EXCHANGE RATE	
	2018	2017	2018	2017
DKK / EUR	13,42	13,44	13,39	13,43
PLN / EUR	23,47	23,48	23,25	23,94

34. COMPANIES IN THE ATHENA INVESTEMENTS GROUP

NAME	Reg. office	Ownership 2018	Ownership 2017
Subsidiaries			
Gehlenberg ApS (under liquidation)	Denmark	100%	100%
VE 5 ApS	Denmark	100%	100%
VE 7 ApS	Denmark	100%	100%
VEI 1 A/S (merge in Athena Investments A/S)	Denmark	-	100%
Windpark Gehlenberg ApS (Dänisches Recht) Co. KG **	Germany	-	100%
AB Energia Srl	Italy	100%	100%
Bosco Solar Srl	Italy	100%	100%
Cerveteri Energia Srl	Italy	100%	100%
De Stern 12 Srl	Italy	100%	100%
Energia Alternativa Srl	Italy	100%	100%
Energia Verde Srl	Italy	100%	100%
Erpe Srl	Italy	100%	100%
Greentech Energy Systems Italia Srl	Italy	100%	100%
Giova Solar Srl	Italy	100%	100%
GP Energia Srl	Italy	100%	100%
GWM Renewable Energy S.p.A.	Italy	100%	100%
GZ Ambiente Srl (under liquidation)	Italy	100%	100%
Lux Solar Srl	Italy	100%	100%
MG Energia Srl (merge in GWM Renewable S.p.A.)	Italy	-	100%
Minerva Messina Srl	Italy	100%	100%
Solar Prometheus Srl	Italy	100%	100%
Solar Utility Salento Srl	Italy	100%	100%
Valle Solar Srl	Italy	100%	100%
GES Services Srl	Italy	100%	100%
Eolica Polczyno Sp. z o.o. *	Poland	-	100%
Greentech Energy Systems Polska Sp. z o.o.	Poland	100%	100%
Global Hantu S.L.	Spain	100%	100%
Global Onega S.L.	Spain	100%	100%

NAME	Reg. office	Ownership 2018	Ownership 2017
Subsidiaries			
Planeta Verde S.L.	Spain	100%	100%
Respeto Medioambiente S.L.	Spain	100%	100%
Sisteme Energetics Conesa S.L.	Spain	100%	100%
GWM RE Spain S.L.	Spain	100%	100%
Global Litator S.L.	Spain	100%	100%
La Castilleja Energia S.L.U.	Spain	100%	100%
Joint Ventures			
Greentech Monte Grighine Srl	Italy	50%	50%

* The Group has disposed the company at beginning of November 2018

** At the beginning of 2018 the Group has disposed the company

35. EVENTS AFTER THE BALANCE SHEET DATE

Regarding the Spanish arbitration procedure, the Kingdom of Spain has commenced an action with the SVEA Court of Appeal in order to overturn the Award. The SVEA Court has granted an extension of the Appeal process until 10 May 2019. The Company is currently challenging such appeal and, in the meanwhile, has started the confirmation procedure of the Award according to the 1958 New York Convention for its further enforcement.

Regarding the Italian arbitration procedure, at date, the Republic of Italy hasn't voluntarily complied with the Award. The Company is therefore currently filing the Petition to Confirm the Arbitration Award according to the 1958 New York Convention for its further enforcement.

HALF YEAR INFORMATION

STATEMENT OF PROFIT & LOSS	UNAUDITED	UNAUDITED	
EUR'000	**HI 2018**	**HII 2018**	**YTD 2018**
Revenue	27,191	24,548	51,739
EBITDA	20,259	16,625	36,884
Operating profit/loss (EBIT)	12,963	4,913	17,876
Profit/loss before tax	7,407	1,146	8,553
Profit/loss for the year	**5,438**	**-495**	**4,943**
Comprehensive income for the period	**6,580**	**297**	**6,877**

STATEMENT OF PROFIT & LOSS	UNAUDITED	UNAUDITED	
EUR'000	**HI 2017**	**HII 2017**	**YTD 2017**
Revenue	28,413	28,030	56,443
EBITDA	20,324	18,984	39,308
Operating profit/loss (EBIT)	12,642	10,381	23,023
Profit/loss before tax	6,678	5,161	11,839
Profit/loss for the year	**4,919**	**3,889**	**8,808**
Comprehensive income for the period	**7,960**	**5,204**	**13,164**

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COMPANY DETAILS

THE COMPANY
Athena Investments A/S
Harbour House, Sundkrogsgade 21 DK – 2100 Copenhagen Ø, Denmark
Telephone: + 45 33 36 42 02 - E-mail: contact@athenainvestments.com
CVR no. 36 69 69 15 - Financial year: 1 January - 31. December
Registered office: Municipality of Copenhagen, Denmark

BOARD OF DIRECTORS
Peter Høstgaard-Jensen, Chairman
Sigieri Diaz della Vittoria Pallavicini, Deputy Chairman
Michèle Bellon
Valerio Andreoli Bonazzi
Jean-Marc Janailhac

MANAGEMENT
Alessandro Reitelli, CEO
Francesco Vittori, CFO

This Annual Report can be downloaded from www.athenainvestments.com under "Investor/Reports and presentations" and has been prepared in English.

AUDITORS
Ernst & Young,
Osvald Helmuths Vej 4
2000 Frederiksberg, Copenhagen

ANNUAL GENERAL MEETING
The Annual General Meeting will be held on 23 April 2019 at 3.00 pm. at Radisson Blu Royal Hotel, Hammerichsgade 1, 1611 Copenhagen, Denmark.

ATHENA
INVESTMENTS

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