

GNP Energy Danmark A/S

Lottenborgvej 24

2800 Kongens Lyngby

CVR No. 37783838

Annual Report 2018

3. financial year

The annual report was presented and
adopted at the annual general meeting of
the Company on 24 June 2019

Ole Kristian Gran Haga
Chairman

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Management's Statement

Today, Management has considered and adopted the Annual Report of GNP Energy Danmark A/S for the financial year 1 January 2018 - 31 December 2018.

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

In our opinion, the Financial Statements give a true and fair view of the assets, liabilities and financial position of the Company at 31 December 2018 and of the results of the Company's operations for the financial year 1 January 2018 - 31 December 2018.

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

We recommend that the Annual Report be adopted at the annual general meeting.

København, 24 June 2019

Executive Board

Kent Marvin Eriksen Kvalvik
Manager

Supervisory Board

Ole Kristian Gran Haga
Chairman

Kent Marvin Eriksen Kvalvik

Lars Borup Pedersen

GNP Energy Danmark A/S

Company details

Company	GNP Energy Danmark A/S Lottenborgvej 24 2800 Kongens Lyngby
CVR No.	37783838
Date of formation	1 June 2016
Financial year	1 January 2018 - 31 December 2018
Supervisory Board	Ole Kristian Gran Haga Kent Marvin Eriksen Kvalvik, Manager Lars Borup Pedersen
Executive Board	Kent Marvin Eriksen Kvalvik, Manager

Management's review

The Company's principal activities

The Company's principal activities consist in trade of electricity, including participation in other companies with similar operations, and the purchase and sale of shares or otherwise make an interest in other companies.

Development in activities and financial matters

The Company's income statement of the financial year 1. januar 2018 - 31. december 2018 shows a result of DKK -1.789.679 and the balance sheet at 31. december 2018 a balance sheet total of DKK 7.124.781 and an equity of DKK -4.261.873.

The ultimate parent company has issued a letter of support providing assurance that the necessary funds will be provided to the Company, and consequently, the financial statements are presented under the going concern assumption.

Post financial year events

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

Expectations for the future

The Company expects its operations to develop positively next year.

Income statement

	Note	2018 kr.	2017 kr.
Gross profit		99.118	-1.460.851
Staff costs	1	-1.562.761	-1.099.809
Amortisation and impairment losses		-93.333	-90.208
Profit from ordinary operating activities		-1.556.976	-2.650.868
Finance income		0	2.173
Financial expenses	2	-232.703	-57.457
Profit from ordinary activities before tax		-1.789.679	-2.706.152
Tax expense on ordinary activities	3	0	-58.529
Profit		-1.789.679	-2.764.681
Proposed distribution of results			
Retained earnings		-1.789.679	-2.764.681
Distribution of profit		-1.789.679	-2.764.681

Balance sheet as of 31 December

	Note	2018 kr.	2017 kr.
Assets			
Software	4	85.556	178.889
Intangible assets		85.556	178.889
Deposits, investments		48.000	48.000
Investments		48.000	48.000
Fixed assets		133.556	226.889
Short-term trade receivables		3.926.348	857.642
Current deferred tax		271.788	0
Other short-term receivables		1.501	0
Prepayments		2.688.982	402.968
Receivables		6.888.619	1.260.610
Cash and cash equivalents		102.606	694.011
Current assets		6.991.225	1.954.621
Assets		7.124.781	2.181.510

Balance sheet as of 31 December

	Note	2018 kr.	2017 kr.
Liabilities and equity			
Contributed capital		500.000	500.000
Retained earnings		-4.761.873	-2.972.194
Equity		-4.261.873	-2.472.194
Trade payables		3.444.900	600.616
Payables to group enterprises		675.764	1.906.722
Tax payables		271.788	0
Other payables		1.137.517	723.048
Deferred income, liabilities		5.856.685	1.423.318
Short-term liabilities other than provisions		11.386.654	4.653.704
Liabilities other than provisions within the business		11.386.654	4.653.704
Liabilities and equity		7.124.781	2.181.510
Uncertainties relating to going concern	5		
Contingent liabilities	6		
Related parties	7		

Notes

	2018	2017
1. Staff costs		
Wages and salaries	1.405.987	1.035.115
Pension	123.871	32.341
Other social security costs	22.519	9.146
Other staff costs	10.384	23.207
	1.562.761	1.099.809
Average number of employees	4	2
2. Finance costs		
Interest expenses, group enterprises	106.480	56.722
Other finance expenses	126.223	735
	232.703	57.457
3. Tax expense		
Tax for the year	214.610	0
Adjustment deferred tax	-214.610	58.529
	0	58.529
4. Software		
Cost at the beginning of the year	280.000	167.500
Addition during the year	0	112.500
Cost at the end of the year	280.000	280.000
Amortisation at the beginning of the year	-101.111	-10.903
Amortisation for the year	-93.333	-90.208
Amortisation at the end of the year	-194.444	-101.111
Carrying amount at the end of the year	85.556	178.889

5. Uncertainties relating to going concern

The ultimate parent company has issued a letter of support providing assurance that the necessary funds will be provided to the Company, and consequently, the financial statements are presented under the going concern assumption.

6. Contingent liabilities

No contingent liabilities exist at the balance sheet date.

Notes

7. Related parties

The following shareholders are registered in the Company's register of shareholders, who owns 100% of the share capital:

GNP Energy AS
Raveien 422, 3239 Sandefjord, Norge

The company is included in the consolidated financial statements for European Energy Group AS. The consolidated financial statements are available at:

GNP Energy AS
Raveien 422, 3239 Sandefjord, Norge

8. Accounting policies

Reporting Class

The Annual Report of GNP Energy Danmark A/S for 2018 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The accounting policies applied remain unchanged from last year. The comparative figures consists of a period of 7 months.

Reporting currency

The annual report is presented in Danish kroner.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

General information

Basis of recognition and measurement

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

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

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

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

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the term. Amortised cost is calculated as original cost less repayments and with the addition/deduction of the accumulated amortisation of the difference between the cost and the nominal amount. This way, exchange losses and gains are allocated over the term.

In connection with recognition and measurement, consideration is given to predictable losses and risks occurring prior to the presentation of the annual report, i.e. losses and risks which prove or disprove matters which exist at the balance sheet date.

8. Accounting policies

Income statement

Gross profit/loss

Gross profit/loss comprises revenue, cost of sales and other external expenses. The Company has decided to aggregate these items of the Income Statement in accordance with the provisions of Section 32 of the Danish Financial Statements Act.

Revenue

Income consists of revenue relates to sales of electricity. Income from delivery of services is recognised as revenue as the service is delivered. The Company collects payments from customers on behalf of grid companies. In that respect, the Company regards itself as an agent, and recognises these transactions on a net basis.

Cost of sales

Cost of sales comprises costs incurred to generate revenue for the year. This item also comprises direct costs for purchased electricity for resale and commission to sales agents.

Other external expenses

Other external expenses comprise expenses regarding sale and administration.

Staff expenses

Staff expenses comprise wages and salaries, pensions and social security costs.

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts that concern the financial year. Financial income and expenses include interest income and expenses, realised and unrealised capital gains and losses regarding securities, debt and foreign currency transactions, amortisation of financial assets and liabilities as well as surcharges and allowances under the tax repayment scheme.

Tax on net profit/loss for the year

Tax on net profit/loss for the year comprises current tax on expected taxable income of the year and the year's adjustment of deferred tax less the part of the tax of the year that relates to changes in equity. Current and deferred tax regarding changes in equity is recognised directly in equity.

Balance sheet

Intangible assets

Software is measured at cost less accumulated amortisation and impairment losses.

The basis of amortisation is cost less any projected residual value after the end of the useful life. Amortisation is provided on a straight-line basis over the estimated useful life. The estimated useful lives 3 years.

Gains and losses on the disposal of intangible assets are determined as the difference between the selling price less selling costs and the carrying amount at the date of disposal.

Gains and losses are recognised in the income statement as other operating income or other operating costs, respectively.

Receivables

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

8. Accounting policies

Prepayments

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

Cash and cash equivalents

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

Financial liabilities

Liabilities are measured at amortised cost which usually corresponds to the nominal value.

Current tax liabilities

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

Deferred tax

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

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

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