

GNP Energy Danmark A/S

Lottenborgvej 24

2800 Kongens Lyngby

CVR No. 37783838

Annual Report 2019

4. financial year

The annual report was presented and
adopted at the annual general meeting of
the Company on 13 May 2020

Ole Kristian Gran Haga
Chairman

Contents

Management's Statement	3
Company Information	4
Management's review	5
Income statement	6
Balance sheet	7
Notes	9
Accounting policies	11

Management's Statement

Today, Management has considered and adopted the Annual Report of GNP Energy Danmark A/S for the financial year 1 January 2019 - 31 December 2019.

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 2019 and of the results of the Company's operations for the financial year 1 January 2019 - 31 December 2019.

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, 13 May 2020

Executive Board

Sigrun Eggen
Manager

Supervisory Board

Ole Kristian Gran Haga
Chairman

Sigrun Eggen

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 2019 - 31 December 2019
Supervisory Board	Ole Kristian Gran Haga Sigrun Eggen, Manager Lars Borup Pedersen
Executive Board	Sigrun Eggen, 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 2019 - 31. december 2019 shows a result of DKK 337.371 and the balance sheet at 31. december 2019 a balance sheet total of DKK 4.007.486 and an equity of DKK -3.924.503.

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	2019 kr.	2018 kr.
Gross profit		1.085.714	99.118
Staff costs	1	-266.616	-1.562.761
Amortisation and impairment losses		-229.501	-93.333
Profit from ordinary operating activities		589.597	-1.556.976
Finance income		5.145	0
Financial expenses	2	-257.371	-232.703
Profit from ordinary activities before tax		337.371	-1.789.679
Tax expense on ordinary activities	3	0	0
Profit		337.371	-1.789.679
Proposed distribution of results			
Retained earnings		337.371	-1.789.679
Distribution of profit		337.371	-1.789.679

Balance sheet as of 31 December

	Note	2019 kr.	2018 kr.
Assets			
Development expenses	4	299.543	0
Software	5	3.125	85.556
Intangible assets		302.668	85.556
Deposits, investments		48.000	48.000
Investments		48.000	48.000
Fixed assets		350.668	133.556
Short-term trade receivables		1.446.143	3.926.348
Current deferred tax		271.788	271.788
Other short-term receivables		1.054.636	1.501
Prepayments		796.054	2.688.982
Receivables		3.568.621	6.888.619
Cash and cash equivalents		88.197	102.606
Current assets		3.656.818	6.991.225
Assets		4.007.486	7.124.781

Balance sheet as of 31 December

	Note	2019 kr.	2018 kr.
Liabilities and equity			
Contributed capital		500.000	500.000
Retained earnings		-4.424.503	-4.761.873
Equity		-3.924.503	-4.261.873
Trade payables		3.384.772	3.444.900
Payables to group enterprises		3.047.077	675.764
Tax payables		0	271.788
Other payables		136.364	1.137.517
Deferred income, liabilities		1.363.776	5.856.685
Short-term liabilities other than provisions		7.931.989	11.386.654
Liabilities other than provisions within the business		7.931.989	11.386.654
Liabilities and equity		4.007.486	7.124.781
Uncertainties relating to going concern	6		
Contingent liabilities	7		
Related parties	8		

Notes

	2019	2018
1. Staff costs		
Wages and salaries	179.307	1.405.987
Pension	51.985	123.871
Other social security costs	23.087	22.519
Other staff costs	12.237	10.384
	266.616	1.562.761

Average number of employees	2	4
-----------------------------	---	---

2. Finance costs

	2019	2018
Renteudgift, mellemregning med tilknyttede virksomheder	171.757	106.480
Andre finansielle omkostninger	85.614	126.223
	257.371	232.703

3. Tax expense

	2019	2018
Tax for the year	0	214.610
Adjustment deferred tax	0	-214.610
	0	0

The company has a tax receivable DKK 271.788, but clarification is awaiting for resumption of fiscal year 2018

4. Development expenses

	2019	2018
Addition during the year, incl. improvements	446.613	0
Cost at the end of the year	446.613	0
Amortisation for the year	-147.070	0
Impairment losses and amortisation at the end of the year	-147.070	0
Carrying amount at the end of the year	299.543	0

5. Software

	2019	2018
Cost at the beginning of the year	280.000	280.000
Cost at the end of the year	280.000	280.000
Amortisation at the beginning of the year	-194.444	-101.111
Amortisation for the year	-82.431	-93.333
Amortisation at the end of the year	-276.875	-194.444
Carrying amount at the end of the year	3.125	85.556

Notes

6. 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.

7. Contingent liabilities

No contingent liabilities exist at the balance sheet date.

8. 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 2019 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.