

Living Energy Lighting ApS

Frederiksborgvej 399, 4000 Roskilde

Company reg. no. 39 79 64 22

Annual report

1 January - 31 December 2022

The annual report was submitted and approved by the general meeting on the 21 June 2023.

Jørgen Laustsen
Chairman of the meeting

Notes:

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

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Management's statement

Today, the Managing Director has approved the annual report of Living Energy Lighting ApS for the financial year 1 January - 31 December 2022.

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

I consider the chosen accounting policy to be appropriate, and in my opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2022 and of the results of the Company's operations for the financial year 1 January – 31 December 2022.

The Managing Director consider the conditions for audit exemption of the 2022 financial statements to be met.

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

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

Roskilde, 21 June 2023

Managing Director

Jørgen Laustsen

Practitioner's compilation report

To the Shareholders of Living Energy Lighting ApS

We have compiled the financial statements of Living Energy Lighting ApS for the financial year 1 January - 31 December 2022 based on the company's bookkeeping and on information you have provided.

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

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

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

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

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

Hillerød, 21 June 2023

Grant Thornton

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

Claus Koskelin

State Authorised Public Accountant
mne30140

Company information

The company

Living Energy Lighting ApS
Frederiksborgvej 399
4000 Roskilde

Company reg. no. 39 79 64 22
Financial year: 1 January - 31 December

Managing Director

Jørgen Laustsen

Auditors

Grant Thornton, Statsautoriseret Revisionspartnerselskab
Nordstensvej 11
3400 Hillerød

Management's review

The principal activities of the company

The company's focus remains on the development of renewable energy-powered street light solutions.

It is the intention to complete development of a new triangular Solar Design solution in 2023 to substitute our initial SolarDesign product.

Uncertainties about recognition or measurement

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

Development in activities and financial matters

The company's results and financial development are as expected.

Expected developments

The company expects a positive financial result for the coming year, a due to completion of the new and improved solar streetlight products.

Events occurring after the end of the financial year

No significant events occurred after the balance sheet date which are considered to have a significant influence on the assessment of the annual report.

Accounting policies

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

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

Recognition and measurement in general

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

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

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

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

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

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

Income statement

Gross profit

Gross profit comprises the revenue, changes in inventories of finished goods, and work in progress, own work capitalised, other operating income, and external costs.

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Revenue is measured at the fair value of the consideration promised exclusive of VAT and taxes and less any discounts relating directly to sales.

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

Accounting policies

Other external costs comprise costs incurred for administration.

Staff costs

Staff costs include salaries and wages, including holiday allowances, pensions, and other social security costs, etc., for staff members.

Depreciation, amortisation, and writedown for impairment

Depreciation, amortisation, and writedown for impairment comprise depreciation on, amortisation of, and writedown for impairment of intangible and tangible assets, respectively.

Financial income and expenses

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

Results from

Tax on net profit or loss for the year

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

The company is subject to Danish rules on compulsory joint taxation of Danish group enterprises.

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

Statement of financial position

Intangible assets

Development projects, patents, and licences

Development costs and internally generated rights are recognised in the income statement as costs in the acquisition year.

Patents and licenses are measured at cost less accrued amortisation. Patents are amortised on a straightline basis over the remaining patent period and licenses are amortised over the contract period, however, for a maximum of 10 years.

Accounting policies

Impairment loss relating to non-current assets

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

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

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

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

Receivables

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

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

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

Cash on hand and demand deposits

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

Equity

Reserve for development costs

The reserve for development costs comprises recognised development costs less related deferred tax liabilities.

The reserve cannot be used as dividends or for covering losses.

The reserve is reduced or dissolved if the recognised development costs are amortised or abandoned. This is done by direct transfer to the distributable reserves of the equity.

Accounting policies

Liabilities other than provisions

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

Accruals and deferred income

Payments received concerning future income are recognised under accruals and deferred income.

Income statement 1 January - 31 December

All amounts in DKK.

<u>Note</u>	<u>2022</u>	<u>2021</u>
Gross profit	368.349	734.799
1 Staff costs	-381.022	-578.420
Depreciation and impairment of non-current assets	-29.598	-29.598
Operating profit	-42.271	126.781
Other financial expenses	-1.993	-3.571
Pre-tax net profit or loss	-44.264	123.210
Tax on net profit or loss for the year	0	0
Net profit or loss for the year	-44.264	123.210
Proposed distribution of net profit:		
Transferred to retained earnings	0	209.029
Transferred to other statutory reserves	-23.087	-85.819
Allocated from retained earnings	-21.177	0
Total allocations and transfers	-44.264	123.210

Balance sheet at 31 December

All amounts in DKK.

Assets			
<u>Note</u>		<u>2022</u>	<u>2021</u>
Non-current assets			
2	Completed development projects, including patents and similar rights arising from development projects	5.002.082	5.178.841
	Total intangible assets	5.002.082	5.178.841
	Total non-current assets	5.002.082	5.178.841
Current assets			
	Trade receivables	0	201.683
	Other receivables	11.873	43.432
	Total receivables	11.873	245.115
	Cash and cash equivalents	388.350	59.855
	Total current assets	400.223	304.970
	Total assets	5.402.305	5.483.811

Balance sheet at 31 December

All amounts in DKK.

Equity and liabilities		
<u>Note</u>	<u>2022</u>	<u>2021</u>
Equity		
Contributed capital	85.000	85.000
Reserve for development costs	176.244	199.331
Retained earnings	-126.778	-105.601
Total equity	134.466	178.730
Liabilities other than provisions		
Trade payables	196.059	65.875
Payables to subsidiaries	215.646	0
Other payables	80.006	315.918
Deferred income	4.776.128	4.923.288
Total short term liabilities other than provisions	5.267.839	5.305.081
Total liabilities other than provisions	5.267.839	5.305.081
Total equity and liabilities	5.402.305	5.483.811

3 Contingencies

Notes

All amounts in DKK.

	2022	2021
1. Staff costs		
Salaries and wages	371.589	569.402
Other costs for social security	9.433	9.018
	381.022	578.420
Average number of employees	1	1
2. Completed development projects, including patents and similar rights arising from development projects		
Cost 1 January 2022	5.416.147	1.767.770
Additions during the year	0	3.648.377
Cost 31 December 2022	5.416.147	5.416.147
Amortisation and writedown 1 January 2022	-237.306	-60.637
Amortisation for the year	-176.759	-176.669
Amortisation and writedown 31 December 2022	-414.065	-237.306
Carrying amount, 31 December 2022	5.002.082	5.178.841

Development projects include the development of solar-powered street lighting. The project is supported by the Innovationsfonden.

3. Contingencies

Joint taxation

With Living Energy International A/S, company reg. no 35 02 58 20 as administration company, the company is subject to the Danish scheme of joint taxation and unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for the total corporation tax.

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

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