

# **Living Energy Lighting ApS**

**Frederiksborgvej 399, 4000 Roskilde**

**Company reg. no. 39 79 64 22**

## **Annual report**

**1 January - 31 December 2021**

The annual report was submitted and approved by the general meeting on the 17 June 2022.

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**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**

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Today, the Managing Director has approved the annual report of Living Energy Lighting ApS for the financial year 1 January - 31 December 2021.

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 2021 and of the results of the Company's operations for the financial year 1 January – 31 December 2021.

The Managing Director consider the conditions for audit exemption of the 2021 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, 17 June 2022

**Managing Director**

Jørgen Laustsen

## **Practitioner's compilation report**

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### **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 2021 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, 17 June 2022

### **Grant Thornton**

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

### **Claus Koskelin**

State Authorised Public Accountant  
mne30140

## **Company information**

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### **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**

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### **The principal activities of the company**

The company's focus remains on the development of renewable energy-powered street light solutions, in 2021 specifically on the EUDP project 64019-0589 "Development of Intelligent solar lighting system" for which a total of kr. 8.054.111 was received in soft funding for 2020/21. Due to COVID-19 the timeline of the project was expanded to include Q1 2022 just as subsequent scope adjustment had a 5% negative affect on the overall project funding. For the year 2021 LEL received kr. 1.072.626 in funding.

The EUDP project scope was adjusted to also cover a low cost street light solution - SolarGlow - requested by customers. SolarGlow test installations have been deployed in Denmark (3 pcs.) just as trials in Benin (12 pcs.) and New Zealand (3 pcs.) to support the development of some larger projects.

It is the intention to complete development of a new triangular Solar Design solution in 2022 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 result 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**

The EUDP project is slightly delayed originally ending 31.12.2021 but now ending 31.03.2022 with project financials following accordingly. Despite this no significant events impacting the assessment of the annual report have occurred after the balance sheet date.

## Accounting policies

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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, cot of sale and external costs.

The enterprise will be applying IAS 11 and IAS 18 as its basis of interpretation for the recognition of revenue.

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. Recognition of revenue is 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

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Other operating income comprises items of a secondary nature as regards the principal activities of the enterprise, including profit from the disposal of intangible and tangible assets.

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. Staff costs are less government reimbursements.

### 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

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### 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

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### Income tax and deferred tax

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

The company is jointly taxed with consolidated Danish companies. The current corporate income tax is distributed between the jointly taxed companies in proportion to their taxable income and with full distribution with reimbursement as to tax losses. The jointly taxed companies are comprised by the Danish tax prepayment scheme.

Joint taxation contributions payable and receivable are recognised in the statement of financial position as "Income tax receivable" or "Income tax payable".

According to the rules of joint taxation, Living Energy Lighting ApS is unlimitedly, jointly, and severally liable to pay the Danish tax authorities the total income tax, including withholding tax on interest, royalties, and dividends, arising from the jointly taxed group of companies.

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Adjustments take place in relation to deferred tax concerning elimination of unrealised intercompany gains and losses.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

Deferred tax assets, including the tax value of tax losses allowed for carryforward, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisable value.

### 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.

Note	2021	2020
<b>Gross profit</b>	<b>734.799</b>	<b>-75.877</b>
1 Staff costs	-578.420	0
Depreciation and impairment of non-current assets	-29.598	-10.827
<b>Operating profit</b>	<b>126.781</b>	<b>-86.704</b>
Other financial expenses	-3.571	-1.186
<b>Pre-tax net profit or loss</b>	<b>123.210</b>	<b>-87.890</b>
Tax on net profit or loss for the year	0	58.250
<b>Net profit or loss for the year</b>	<b>123.210</b>	<b>-29.640</b>
<b>Proposed appropriation of net profit:</b>		
Transferred to retained earnings	209.029	0
Transferred to other statutory reserves	-85.819	176.883
Allocated from retained earnings	0	-206.523
<b>Total allocations and transfers</b>	<b>123.210</b>	<b>-29.640</b>

**Balance sheet at 31 December**

All amounts in DKK.

<b>Assets</b>			
<u>Note</u>		<u>2021</u>	<u>2020</u>
<b>Non-current assets</b>			
2	Completed development projects, including patents and similar rights arising from development projects	5.178.841	1.707.263
	Total intangible assets	5.178.841	1.707.263
	<b>Total non-current assets</b>	<b>5.178.841</b>	<b>1.707.263</b>
<b>Current assets</b>			
	Trade receivables	201.683	0
	Income tax receivables	0	70.834
	Other receivables	43.432	39.735
	Total receivables	245.115	110.569
	Cash and cash equivalents	59.855	41.638
	<b>Total current assets</b>	<b>304.970</b>	<b>152.207</b>
	<b>Total assets</b>	<b>5.483.811</b>	<b>1.859.470</b>

**Balance sheet at 31 December**

All amounts in DKK.

<b>Equity and liabilities</b>		
<u>Note</u>	<u>2021</u>	<u>2020</u>
<b>Equity</b>		
Contributed capital	85.000	85.000
Reserve for development costs	199.331	285.150
Retained earnings	-105.601	-314.629
<b>Total equity</b>	<b>178.730</b>	<b>55.521</b>
<b>Liabilities other than provisions</b>		
Trade payables	65.875	38.980
Payables to subsidiaries	0	152.774
Other payables	315.918	28.348
Deferred income	4.923.288	1.583.847
Total short term liabilities other than provisions	5.305.081	1.803.949
<b>Total liabilities other than provisions</b>	<b>5.305.081</b>	<b>1.803.949</b>
<b>Total equity and liabilities</b>	<b>5.483.811</b>	<b>1.859.470</b>

**3 Contingencies**

## Notes

All amounts in DKK.

	2021	2020
<b>1. Staff costs</b>		
Salaries and wages	569.402	0
Other costs for social security	9.018	0
	<b>578.420</b>	<b>0</b>
Average number of employees	1	0
<b>2. Completed development projects, including patents and similar rights arising from development projects</b>		
Cost 1 January 2021	1.767.770	603.267
Additions during the year	3.648.377	1.164.323
<b>Cost 31 December 2021</b>	<b>5.416.147</b>	<b>1.767.590</b>
Amortisation and writedown 1 January 2021	-60.637	0
Amortisation for the year	-176.669	-60.327
<b>Amortisation and writedown 31 December 2021</b>	<b>-237.306</b>	<b>-60.327</b>
<b>Carrying amount, 31 December 2021</b>	<b>5.178.841</b>	<b>1.707.263</b>

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.