

# **Living Energy Lighting ApS**

**Frederiksborgvej 399, 4000 Roskilde**

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

## **Annual report**

**1 January - 31 December 2020**

The annual report was submitted and approved by the general meeting on the 20 May 2021.

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**Nicholaj Asger Hansen**  
Chairman of the meeting

Notes to users of the English version of this document:

- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points remain unchanged from Danish version of the document. This means that DKK 146.940 corresponds to the English amount of DKK 146,940, and that 23,5 % corresponds to 23.5 %.

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## **Management's report**

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Today, the executive board has presented the annual report of Living Energy Lighting ApS for the financial year 1 January - 31 December 2020.

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

We consider the accounting policies appropriate and, in our opinion, the financial statements provide a fair presentation of the company's assets, equity and liabilities, and financial position at 31 December 2020 and of the company's results of activities in the financial year 1 January – 31 December 2020.

The executive board consider the conditions for audit exemption of the 2020 financial statements to be met.

We are of the opinion that the management commentary presents a fair account of the issues dealt with.

We recommend that the annual report be approved by the general meeting.

Roskilde, 20 May 2021

### **Executive board**

Nicholaj Asger Hansen

Jørgen Laustsen

## **Auditor's report on compilation of the financial statements**

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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 2020 based on the company's bookkeeping and on further information provided by you.

The financial statements comprise the accounting policies, income statement, statement of financial position and notes.

We performed this engagement in accordance with the international standard ISRS 4410 applying to compilation engagements.

We have applied our professional expertise to assist you in the preparation and presentation of the financial statements in accordance with the Danish Financial Statements Act. We have complied with relevant requirements of the Danish Act on Approved Auditors and Audit Firms and with ethical requirements of the Danish Institute of State Authorised Public Accountants, including principles of integrity, objectivity, professional competence and due care.

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

As 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 in order to compile the financial statements. Accordingly, we express neither an audit opinion nor a review opinion as to whether the financial statements have been compiled in accordance with the Danish Financial Statements Act.

Hillerød, 20 May 2021

### **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

### Executive board

Nicholaj Asger Hansen  
Jørgen Laustsen

### Auditors

Grant Thornton, Statsautoriseret Revisionspartnerselskab  
Nordstensvej 11  
3400 Hillerød

## **Management commentary**

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

The company's focus remains on development of renewable energy-powered street light solutions specifically the EUDP project 64019-0589 "Development of Intelligent solar lighting system" for which kr. 8.054.111 was received in soft funding for 2020/21.

### **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, similar to 2020, however, there are great expectations for 2022 due to completion of technology for the new and improved solar streetlight product by end of 2021.

### **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.

### **Correction in accordance with årsregnskabslovens § 52**

In preparing the annual accounts for 2020, the company has made corrections, covered by årsregnskabslovens § 52. The comparative figures and equity have been corrected in the annual accounts for 2020 in accordance with the rules of the Danish Financial Statements Act.

The above corrections relate to the company having found that capitalized development costs are valued at t.kr. 435 too high per. 31 December 2019, depreciation is entered in t.kr. 60 too high per. 31 December 2019 county that gross profit in 2019 is recorded t.kr. 495 too high.

The above has the consequence that the result for 2019 has been reduced by t.kr. 435 after tax and the company's equity per. 31 December 2019 has been reduced by t.kr. 435.

### **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.

## **Accounting policies**

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### **Income statement**

#### **Gross loss**

Gross loss comprises external costs.

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

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 equity investment in**

##### **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 comprise salaries, wages, and amortisation directly attributable to development activities.



## Accounting policies

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Clearly defined and identifiable development projects are recognised as intangible assets provided that they are proven to be technically practicable, that sufficient resources and a potential market or development opportunity exist, and insofar as the intention is to produce, market or utilise the project. It is, however, a condition that the cost can be reliably calculated and that a sufficiently high degree of certainty indicates that future earnings will cover the costs of production, sales, and administration. Other development costs are recognised in the income statement concurrently with their realisation.

Development costs recognised in the statement of financial position are measured at cost less accrued amortisations and writedowns for impairment.

After completion of the development work, capitalised development costs are amortised on a straight-line basis over the estimated useful economic life. The amortisation period is usually 10 years.

### **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.

## Accounting policies

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### 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.

### 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.

## **Accounting policies**

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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.

<u>Note</u>	<u>2020</u>	<u>2019</u>
<b>Gross loss</b>	<b>-75.877</b>	<b>-9.154</b>
Depreciation and impairment of non-current assets	-10.827	0
<b>Operating profit</b>	<b>-86.704</b>	<b>-9.154</b>
Other financial costs	-1.186	-145
<b>Pre-tax net profit or loss</b>	<b>-87.890</b>	<b>-9.299</b>
Tax on net profit or loss for the year	58.250	12.584
<b>Net profit or loss for the year</b>	<b>-29.640</b>	<b>3.285</b>
<b>Proposed appropriation of net profit:</b>		
Transferred to other statutory reserves	176.883	108.267
Allocated from retained earnings	-206.523	-104.982
<b>Total allocations and transfers</b>	<b>-29.640</b>	<b>3.285</b>

## Statement of financial position at 31 December

All amounts in DKK.

<b>Assets</b>			
<u>Note</u>		<u>2020</u>	<u>2019</u>
<b>Non-current assets</b>			
1	Completed development projects, including patents and similar rights arising from development projects	1.707.263	603.267
	Total intangible assets	1.707.263	603.267
	<b>Total non-current assets</b>	<b>1.707.263</b>	<b>603.267</b>
<b>Current assets</b>			
	Income tax receivables	70.834	12.584
	Other receivables	39.735	170.098
	Total receivables	110.569	182.682
	Cash on hand and demand deposits	41.638	33.208
	<b>Total current assets</b>	<b>152.207</b>	<b>215.890</b>
	<b>Total assets</b>	<b>1.859.470</b>	<b>819.157</b>

## Statement of financial position at 31 December

All amounts in DKK.

<b>Equity and liabilities</b>			
<u>Note</u>		<u>2020</u>	<u>2019</u>
<b>Equity</b>			
Contributed capital		85.000	85.000
Reserve for development costs		285.150	108.267
Retained earnings		-314.629	-108.107
<b>Total equity</b>		<b><u>55.521</u></b>	<b><u>85.160</u></b>
<b>Liabilities other than provisions</b>			
Trade payables		38.980	163.098
Payables to group enterprises		152.774	72.774
Other payables		28.348	3.125
Accruals and deferred income		1.583.847	495.000
Total short term liabilities other than provisions		<u>1.803.949</u>	<u>733.997</u>
<b>Total liabilities other than provisions</b>		<b><u>1.803.949</u></b>	<b><u>733.997</u></b>
<b>Total equity and liabilities</b>		<b><u>1.859.470</u></b>	<b><u>819.157</u></b>

## 2 Contingencies

## Notes

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All amounts in DKK.

	2020	2019
	<hr/>	<hr/>
<b>1. Completed development projects, including patents and similar rights arising from development projects</b>		
Cost 1 January 2020	603.267	0
Additions during the year	1.164.323	603.267
<b>Cost 31 December 2020</b>	<b>1.767.590</b>	<b>603.267</b>
	<hr/>	<hr/>
Amortisation for the year	-60.327	0
<b>Amortisation and writedown 31 December 2020</b>	<b>-60.327</b>	<b>0</b>
	<hr/>	<hr/>
<b>Carrying amount, 31 December 2020</b>	<b>1.707.263</b>	<b>603.267</b>
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Development projects include the development of solar-powered street lighting. The project is supported by the Innovationsfonden.

## 2. 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.