BEIERHOLM
VI SKABER BALANCE

Energi Innovation Holding ApS

Lykkegårdsvej 2, 6600 Vejen
CVR no. 41 15 35 20

Annual report
for the financial year 10.02.20 - 31.12.20

Årsrapporten er godkendt på den
ordinære generalforsamling, d. 15.03.21

Poul Søndermark Svendsen
Dirigent

Table of contents

Group information etc.

The company

Energi Innovation Holding ApS
Lykkegårdsvej 2
6600 Vejen
Registered office: Vejen kommune
CVR no.: 41 15 35 20
Financial year: 01.01 - 31.12

Executive Board

Poul Søndermark Svendsen

Auditors

Beierholm
Statsautoriseret Revisionspartnerselskab

Statement by the Executive Board on the annual report

I have on this day presented the annual report for the financial year 10.02.20 - 31.12.20 for Energi Innovation Holding ApS.

The annual report is presented in accordance with Danish Financial Statements Act (Årsregnskabsloven).

In my opinion, the consolidated financial statements and financial statements give a true and fair view of the group's and the parent's assets, liabilities and financial position as at 31.12.20 and of the results of the group's and parent's activities for the financial year 10.02.20 - 31.12.20.

I believe that the management's review includes a fair review of the matters dealt with in the management's review.

The annual report is submitted for adoption by the general meeting.

Vejen, March 15, 2021

Executive Board

Poul Søndermark Svendsen

Independent auditor's report

To the capital owner of Energi Innovation Holding ApS

Opinion

We have audited the consolidated financial statements and parent company financial statements of Energi Innovation Holding ApS for the financial year 10.02.20 - 31.12.20, which comprise the income statement, balance sheet, statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies for the group as well as for the parent company. The consolidated financial statements and parent company financial statements are prepared in accordance with Danish Financial Statements Act (Årsregnskabsloven).

In our opinion the consolidated financial statements and parent company financial statements give a true and fair view of the group's and the parent company's assets, liabilities and financial position at 31.12.20 and of the results of the group's and the parent company's operations for the financial year 10.02.20 - 31.12.20 in accordance with the Danish Financial Statements Act (Årsregnskabsloven).

Basis for conclusion

We conducted our audit in accordance with International Standards on Auditing and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements and parent company financial statements" section of our report. We are independent of the group and the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement regarding the management's review

Management is responsible for management's review.

Our opinion on the consolidated financial statements and parent company financial statements does not cover management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements and parent company financial statements, our responsibility is to read management’s review and, in doing so, consider whether management’s review is materially inconsistent with the consolidated financial statements or parent company financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether management’s review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that management’s review is in accordance with the consolidated financial statements and parent company financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Acts. We did not identify any material misstatement of management’s review.

Management's responsibility for the consolidated financial statements and parent company financial statements

The Management is responsible for the preparation of consolidated financial statements and parent company financial statements that give a true and fair view in accordance with the Danish Financial Statements Act. Furthermore the Management is responsible for the internal control as the Management determines is necessary to enable the preparation of consolidated financial statements and parent company financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and parent company financial statements, management is responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the consolidated financial statements and parent company financial statements unless management either intends to liquidate the group and the company or to cease operations, or has no realistic alternative but to do so.

Auditor’s responsibilities for the audit of the consolidated financial statements and parent company financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and parent company financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and parent company financial statements.

As part of an audit conducted in accordance with International Standards on Auditing and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and parent company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's and the parent company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management’s use of the going concern basis of accounting in preparing the consolidated financial statements and parent company financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's and the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the consolidated financial statements and parent company financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the group and the company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the consolidated financial statements and parent company financial statements, including the disclosures, and whether the consolidated financial statements and parent company financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and per-formance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Aarhus, March 15, 2021

Beierholm
Statsautoriseret Revisionspartnerselskab
CVR no. 32 89 54 68

Casper Jensby
State Authorized Public Accountant
MNE-no. mne36181

GROUPS FINANCIAL HIGHLIGHTS

Key figures

Figures in DKK '000	10.02.20 31.12.20
Profit/loss	
Revenue	340,225
Index	100
Operating profit/loss	60,433
Index	100
Total net financials	-2,392
Index	100
Profit for the year	39,528
Index	100
Balance	
Total assets	248,270
Index	100
Investments in property, plant and equipment	6,659
Index	100
Equity	39,610
Index	100

Ratios

	10.02.20 31.12.20
Profitability	
Return on equity	200%
Gross margin	23%
Profit margin	18%
Asset turnover	2
Equity ratio	
Equity interest	16%
Others	
Number of employees (average)	67

Ratios definitions

Return on equity: $\frac{\text{Profit/loss for the year x 100}}{\text{Average equity}}$

Gross margin: $\frac{\text{Gross result x 100}}{\text{Revenue}}$

Profit margin: $\frac{\text{Operating profit/loss x 100}}{\text{Revenue}}$

Asset turnover: $\frac{\text{Revenue}}{\text{Avg. total assets}}$

Equity interest: $\frac{\text{Equity, end of year x 100}}{\text{Total assets}}$

Primary activities

The group activities consist in operating as a turnkey contractor, engaging in long-term service agreements with a focus on large solar cell parks in Europe.

Development in activities and financial affairs

The income statement for the period 10.02.20 - 31.12.20 shows a profit of DKK 39,528,445. The balance sheet shows equity of DKK 39,609,610.

The management considers the net profit for the year to be satisfactory.

Outlook

The group expects to achieve a turnover for 2021 of approx. DKK 525 million and a profit before tax of approx. DKK 135 million.

Knowledge resources

Attracting and retaining competent employees is essential to the ENI1 Holding Group's continued growth. Employees are offered training and certification opportunities within relevant areas on an ongoing basis.

Financial risks

The group is not exposed to special business or financial risks beyond usual risks within the industry. Credit risks are associated with the value of current assets.

External environment

The group wants to reduce its environmental and climate impact as much as possible by making appropriate investments in new technology, as well as in machinery that has a less negative impact on the environment when applied.

Subsequent events

No important events have occurred after the end of the financial year.

Branches abroad

The group has a branch in Portugal by the name of:

- Energi Innovation ApS - Sucursal Em Portugal

Corporate social responsibility

In every way, management wants to operate a business that adheres to applicable laws, and to act as a responsible business that reduces negative impacts on stakeholders and the surrounding society to a minimum. So far, the group has chosen not to adopt and implement corporate social responsibility policies, because group activities are generally performed in due consideration of generally applied principles and sound business morals. In management's opinion, this will inherently mean that the group acts socially responsibly.

Instead of a formal policy, the group has chosen to implement very specific actions and initiatives that ensure social responsibility.

Environment and climate
The group operates without material environmental and climate impact, and no material risks are considered to exist in relation to its business activities. Management assesses that there is no need for business-specific policies in the area.

Social matters and employee conditions
The group is operated mainly from Denmark and Portugal. In both countries, social matters and employee conditions are highly regulated according to law as well as standards that ensure good conditions for all employees, and no material risks are considered to exist in relation to the group's business activities. Management assesses that there is no need for group-specific policies in the area.

Respect for human rights
The group is operated mainly from Denmark and Portugal. In both countries, fundamental human rights are regulated according to law, and no material risks are considered to exist in relation to the group's business activities. Management assesses that there is no need for group-specific policies in the area.

Anticorruption and bribery
The group is operated mainly from Denmark and Portugal. In both countries, corruption and bribery are regulated according to law and are not regarded as a major problem. No material risks are considered to exist in relation to the group's business activities. Management assesses that there is no need for group-specific policies in the area.

Business model
The group activities consist in operating as a turnkey contractor, engaging in long-term service agreements with a focus on large solar cell parks in Europe.

Future work with social responsibility
The group will continue to act as a responsible business that reduces negative impacts on stakeholders and the surrounding society to a minimum. On an ongoing basis, management will assess the future need for adopting formal corporate social responsibility policies in one or more areas.

Gender diversity

Target figures for the supreme management body

In accordance with the Danish Companies Act, the top management body of the group has a gender-balanced participation.

Policy to increase the share of the underrepresented gender at other management levels

The group has adopted a policy that intends to increase the participation of the under-represented sex at other group management levels. The present gender make-up is affected by the fact that the group operates in an industry that has a natural majority of men. When new employees are hired, professional qualifications outweigh gender. Irrespective of gender, group employees must experience that they have the same opportunities in respect of career and manager positions. The group supports this employee development with interviews and training.

Income statement

Note		Group	Parent
		10.02.20 31.12.20 DKK	10.02.20 31.12.20 DKK
1	**Revenue**	**340,224,660**	**0**
	Other operating income	6,393,516	0
	Costs of raw materials and consumables	-253,712,195	0
	Other external expenses	-15,881,085	-14,065
	Gross result	**77,024,896**	**-14,065**
2	Staff costs	-15,630,295	0
	Profit/loss before depreciation, amortisation, write-downs and impairment losses	**61,394,601**	**-14,065**
	Depreciation and impairments losses of property, plant and equipment	-961,415	0
	Other operating expenses	-5,376,803	0
	Profit/loss before net financials	**55,056,383**	**-14,065**
4	Income from equity investments in group enterprises	0	41,181,281
5	Income from equity investments in associates	-1,391,184	-1,391,184
6	Financial income	596,848	0
7	Financial expenses	-1,597,467	-319,712
	Profit before tax	**52,664,580**	**39,456,320**
	Tax on profit for the year	-13,136,135	72,125
	Profit for the year	**39,528,445**	**39,528,445**

Proposed appropriation account

	Group	Parent
Reserve for net revaluation according to the equity method	0	40,959,629
Non-controlling interests	-1,906	0
Retained earnings	39,530,351	-1,431,184
Total	**39,528,445**	**39,528,445**

Balance sheet

ASSETS

Note		Group 31.12.20 DKK	Parent 31.12.20 DKK
	Acquired rights	81,189,805	0
9	**Total intangible assets**	**81,189,805**	**0**
	Plant and machinery	3,509,752	0
	Other fixtures and fittings, tools and equipment	1,797,307	0
	Property, plant and equipment under construction	756,053	0
10	**Total property, plant and equipment**	**6,063,112**	**0**
11	Equity investments in group enterprises	0	65,602,228
11	Equity investments in associates	13,408,816	13,408,816
12	Deposits	41,246	0
	Total investments	**13,450,062**	**79,011,044**
	Total non-current assets	**100,702,979**	**79,011,044**
	Raw materials and consumables	883,345	0
	Total inventories	**883,345**	**0**
13	Work in progress for third parties	35,323,949	0
	Trade receivables	46,115,084	0
	Receivables from group enterprises	1,090,967	0
	Deferred tax asset	0	72,125
	Income tax receivable	709,984	0
	Other receivables	26,180,286	0
	Prepayments	823,531	0
	Total receivables	**110,243,801**	**72,125**
14	**Cash**	**36,440,354**	**188,927**
	Total current assets	**147,567,500**	**261,052**
	Total assets	**248,270,479**	**79,272,096**

Balance sheet

EQUITY AND LIABILITIES

Note		Group 31.12.20 DKK	Parent 31.12.20 DKK
	Share capital	40,000	40,000
	Reserve for net revaluation according to the equity method	0	40,960,794
	Retained earnings	39,569,610	-1,391,184
	Total equity	**39,609,610**	**39,609,610**
16	Provisions for deferred tax	16,152,677	0
	Total provisions	**16,152,677**	**0**
17	Lease commitments	1,462,950	0
17	Other payables	682,444	0
	Total long-term payables	**2,145,394**	**0**
17	Short-term part of long-term payables	1,118,840	0
	Payables to other credit institutions	41,892,482	0
	Trade payables	108,811,889	8,125
	Payables to group enterprises	1,450,310	31,555,585
	Income taxes	4,710,550	0
	Other payables	32,378,727	8,098,776
	Total short-term payables	**190,362,798**	**39,662,486**
	Total payables	**192,508,192**	**39,662,486**
	Total equity and liabilities	**248,270,479**	**79,272,096**

18 Contingent liabilities
19 Charges and security
20 Related parties

Statement of changes in equity

Figures in DKK	Share capital	Share premium	Reserve for net revaluation according to the equity method	Retained earnings	Equity of the parent company's capital owners	Non-controlling interests	Total equity
Group:							
Statement of changes in equity for 10.02.20 - 31.12.20							
Capital contributed on establishment	40,000	40,000	0	0	80,000	0	80,000
Other changes in equity	0	0	0	-741	-741	1,906	1,165
Transfers to/from other reserves	0	-40,000	0	40,000	0	0	0
Net profit/loss for the year	0	0	0	39,530,351	39,530,351	-1,906	39,528,445
Balance as at 31.12.20	40,000	0	0	39,569,610	39,609,610	0	39,609,610
Parent:							
Statement of changes in equity for 10.02.20 - 31.12.20							
Foreign currency translation adjustment of foreign enterprises	0	0	1,165	0	1,165	0	1,165
Capital contributed on establishment	40,000	40,000	0	0	80,000	0	80,000
Transfers to/from other reserves	0	-40,000	0	40,000	0	0	0
Net profit/loss for the year	0	0	40,959,629	-1,431,184	39,528,445	0	39,528,445
Balance as at 31.12.20	40,000	0	40,960,794	-1,391,184	39,609,610	0	39,609,610

	Group	Parent
	10.02.20 31.12.20 DKK	10.02.20 31.12.20 DKK

1. Revenue

Information about the distribution of revenue by activities and geographical markets is provided below. The segment information is prepared in accordance with the company's accounting policies and follows the company's internal financial management.

Revenue comprises the following activities:

Photovoltaic system	221,213,496	0
Construction of photovoltaic power stations	119,011,164	0
Total	340,224,660	0

Revenue comprises the following geographical markets:

Portugal	14,710,713	0
Denmark	325,513,947	0
Total	340,224,660	0

2. Staff costs

Wages and salaries	12,993,717	0
Pensions	680,287	0
Other social security costs	1,133,459	0
Other staff costs	822,832	0
Total	15,630,295	0
Average number of employees during the year	67	0

By reference to section 98b(3), (ii), of the Danish Financial Statements Act, remuneration to the management is not disclosed

Notes

	Group	Parent
	10.02.20 31.12.20 DKK	10.02.20 31.12.20 DKK

3. Fees to auditors appointed by the general meeting

Statutory audit of the financial statements	206,000	0
Tax advice	71,228	0
Total	277,228	0

4. Income from equity investments in group enterprises

Share of profit or loss of group enterprises	0	41,181,281
Total	0	41,181,281

5. Income from equity investments in associates

Share of profit or loss of associates	-1,391,184	-1,391,184
Total	-1,391,184	-1,391,184

6. Financial income

Interest, group enterprises	7,559	0
Other interest income	589,289	0
Total	596,848	0

	Group	Parent
	10.02.20 31.12.20 DKK	10.02.20 31.12.20 DKK

7. Financial expenses

Interest, group enterprises	11,551	319,585
Other financial expenses total	1,585,916	127
Total	1,597,467	319,712

8. Distribution of net profit

Reserve for net revaluation according to the equity method	0	40,959,629
Non-controlling interests	-1,906	0
Retained earnings	39,530,351	-1,431,184
Total	39,528,445	39,528,445

9. Intangible assets

Figures in DKK	Acquired rights
Group:	
Additions during the year	81,189,805
Cost as at 31.12.20	81,189,805
Carrying amount as at 31.12.20	81,189,805

Acquired rights relates to the value of the rights for installation of a photovoltaic power station. Depreciation of other excess values will commence when the construction of the installation is finalized in 2022.

10. Property, plant and equipment

Figures in DKK	Plant and machinery	Other fixtures and fittings, tools and equipment	Property, plant and equipment under construction
Group:			
Additions during the year	3,874,584	2,028,428	756,053
Cost as at 31.12.20	3,874,584	2,028,428	756,053
Depreciation during the year	-364,832	-231,121	0
Depreciation and impairment losses as at 31.12.20	-364,832	-231,121	0
Carrying amount as at 31.12.20	3,509,752	1,797,307	756,053
Carrying amount of assets held under finance leases as at 31.12.20	1,530,000	1,486,083	0

11. Equity investments

Figures in DKK	Equity investments in group enterprises	Equity investments in associates
Group:		
Additions during the year	0	14,800,000
Cost as at 31.12.20	0	14,800,000
Amortisation of goodwill	0	-1,391,184
Revaluations as at 31.12.20	0	-1,391,184
Carrying amount as at 31.12.20	0	13,408,816
Positive balances ascertainable on initial recognition of equity investments measured at equity value	0	13,911,843
Parent:		
Additions during the year	24,419,782	14,800,000
Cost as at 31.12.20	24,419,782	14,800,000
Foreign currency translation adjustment of foreign enterprises	1,165	0
Amortisation of goodwill	0	-1,391,184
Net profit/loss from equity investments	41,002,756	0
Other adjustments relating to equity investments	178,525	0
Revaluations as at 31.12.20	41,182,446	-1,391,184
Carrying amount as at 31.12.20	65,602,228	13,408,816
Positive balances ascertainable on initial recognition of equity investments measured at equity value	0	13,911,843
Negative balances ascertainable on initial recognition of equity investments measured at equity value	178,525	0

11. Equity investments - continued -

Name and registered office:	Ownership interest
Subsidiaries:	
ENI PT 01 ApS, Vejen kommune	100%
ENI PT 02 ApS, Vejen kommune	100%
ENI PT 03 ApS, Vejen kommune	100%
ETOS-Solar Systems ApS, Vejen kommune	100%
Energi Innovation APSW Iberia Uni Lda., Portugal	100%
ENI O&M ApS, Vejen kommune	100%
ENI Sol Santarem ApS, Vejen kommune	100%
Escalabis Solar S.A., Portugal	100%
EI-Project ApS, Vejen kommune	100%
ENI Asia Trading ApS, Vejen kommune	100%
ENI Asia Trading Ltd., Hongkong	100%
ENI Construction ApS, Vejen kommune	100%
ENI PT Construction Lda., Portugal	100%
Energi Innovation ApS, Vejen kommune	100%
ENI Project ApS, Vejen kommune	100%
ENI Entreprise ApS, Vejen kommune	100%
ENI Service ApS, Vejen kommune	100%
Associates:	
WattsUp Power A/S, Hvidovre	16%

12. Other non-current financial assets

Figures in DKK	Deposits
Group:	
Additions relating to mergers and acquisition of enterprises	40,000
Additions during the year	1,246
Cost as at 31.12.20	41,246
Carrying amount as at 31.12.20	41,246

	Group	Parent
	31.12.20 DKK	31.12.20 DKK
13. Work in progress for third parties		
Work in progress for third parties	436,469,193	0
On-account invoicing	-401,145,244	0
Work in progress for third parties	35,323,949	0
Work in progress for third parties	35,323,949	0
Total	35,323,949	0

14. Cash

Cash includes bank deposits of DKK 19,491k, which are deposited. The amount can be paid only when all the conditions of the transaction have been met, and the transfer is final.

	Group	Parent
	31.12.20 DKK	31.12.20 DKK

15. Non-controlling interests

	Group	Parent
Other changes in equity	1,906	0
Net profit/loss for the year (distribution of net profit)	-1,906	0
Total	0	0

16. Deferred tax

	Group	Parent
Additions relating to mergers and acquisition of enterprises	7,582,718	0
Deferred tax recognised in the income statement	8,569,959	-72,125
Deferred tax as at 31.12.20	16,152,677	-72,125

17. Long-term payables

Figures in DKK	Repayment first year	Outstanding debt after 5 years	Total payables at 31.12.20	Total payables at 09.02.20
Group:				
Lease commitments	1,118,840	0	2,581,790	2,581,790
Other payables	0	0	682,444	682,444
Total	1,118,840	0	3,264,234	3,264,234

18. Contingent liabilities

Group:

Lease commitments

The group has concluded lease agreements with terms to maturity of 6 months and average lease payments of DKK 10k, a total of DKK 60k. .

Recourse guarantee commitments

The group has provided a guarantee for the debt to credit institutions of Wattsup Power A/S. The guarantee is maximised at DKK 3,500k. The debt to credit institutions concerned of Wattsup Power A/S amounts to DKK 3,795k at the balance sheet date.

Guarantee commitments

The group has provided a guarantee of DKK 7.439k to Alternative Condition, S.A. and DKK 12,052k to Directorate General for Energy and Geology.

Other contingent liabilities

The group is taxed jointly with the other Danish companies in the group and has joint, several and unlimited liability for income taxes and any obligations to withhold tax at source on interest, royalties and dividends for the jointly taxed companies. The liability also includes any subsequent corrections to the calculated tax liability as a consequence of changes made to the jointly taxable income etc.

Parent:

Other contingent liabilities

The company is taxed jointly with the other Danish companies in the group and has joint, several and unlimited liability for income taxes and any obligations to withhold tax at source on interest, royalties and dividends for the jointly taxed companies. The liability also includes any subsequent corrections to the calculated tax liability as a consequence of changes made to the jointly taxable income etc.

19. Charges and security

Group:

Bankaccount with a carrying amount of DKK 7.469k have been provided as security for payables to credit institutions constituted DKK 6,948k at the balance sheet date.

Parent:

The company has not provided any security over assets.

20. Related parties

Controlling influence	Basis of influence
ENI Invest ApS, Vejen kommune	Parent company
Poss Holding ApS, Vejen kommune	Ultimate parent company

Related party transactions are not disclosed, as all transactions are entered into in the ordinary course of business at arms' length.

The company is included in the consolidated financial statements of the parent Poss Holding ApS, Vejen kommune.

21. Accounting policies

GENERAL

The annual report is presented in accordance with the provisions of the Danish Financial Statements Act for large groups and enterprises in reporting class C.

No comparative figures have been provided as this is the parents' and the group's first financial year.

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including depreciation, amortisation, impairment losses and write-downs, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company, and the value of such assets can be measured reliably. Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company, and the value of such liabilities can be measured reliably. On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

On recognition and measurement, account is taken of foreseeable losses and risks arising before the date at which the annual report is presented and proving or disproving matters arising on or before the balance sheet date.

CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements comprise the parent and its subsidiaries in which the parent directly or indirectly holds more than 50% of the voting rights or by way of agreements exercises control. Enterprises in which the group holds participating interests, between 20% and 50% of the voting rights and in which it has significant interest but not control, are considered associates.

All financial statements used for consolidation are prepared in accordance with the accounting policies of the group.

The consolidated financial statements consolidate the financial statements of the parent and its subsidiaries by adding together items of a uniform nature, eliminating intercompany income and expenditure, equity investments, intercompany balances and dividends as well as gains and losses resulting from transactions between the consolidated enterprises to the extent that the underlying assets and liabilities are not realised.

21. Accounting policies - continued -

Non-controlling interests

The financial items of the subsidiaries are recognised in full in the consolidated financial statements. The non-controlling interests' proportionate share of the subsidiaries' equity is classified as a part of consolidated equity. The subsidiaries' results are distributed proportionately to non-controlling interests and the parent's equity interest.

Purchase and sale of non-controlling interests in a subsidiary which do not result in changes in control of the subsidiary are treated in the consolidated financial statements as equity transactions, and the difference between the consideration and the carrying amount is allocated to the parent's equity interest.

BUSINESS COMBINATIONS

Newly acquired or newly founded enterprises are recognised as from the date of acquisition and the date of foundation, respectively. The date of acquisition is the date at which control of the enterprise is obtained. Divested or discontinued enterprises are recognised until the date of divestment or discontinuation. The date of discontinuation is the date at which control of the enterprise passes to a third party.

Acquired enterprises are recognised in accordance with the acquisition method, according to which the identifiable assets and liabilities of the newly acquired enterprises are measured at fair value at the date of acquisition.

The cost of the equity investments in the acquired enterprises is offset against the proportionate share of the fair value of the enterprises' net assets at the acquisition date.

On acquisition of subsidiaries, goodwill is recognised on a proportionate basis based on the actual ownership interest in the acquired equity investments.

The goodwill (positive difference) determined at the date of acquisition is recognised under intangible assets in the consolidated financial statements and under equity investments in subsidiaries in the parent's balance sheet. For negative goodwill (negative difference), a reassessment is made of the fair values determined for the net assets acquired and the purchase price of the enterprise. Negative goodwill that is attributable to contingent liabilities at the date of acquisition is recognised under deferred income in the consolidated financial statements and under equity investments in subsidiaries in the parent's balance sheet and is reduced as these liabilities are realised. Any remaining negative difference (negative goodwill) is recognised as income in other operating income in the income statement at the date of acquisition. Goodwill and negative goodwill from acquired enterprises is adjusted until 12 months after the acquisition date.

21. Accounting policies - continued -

CURRENCY

The annual report is presented in Danish kroner (DKK).

On initial recognition, transactions denominated in foreign currencies are translated using the exchange rates applicable at the transaction date. Exchange rate differences between the exchange rate applicable at the transaction date and the exchange rate at the date of payment are recognised in the income statement as a financial item. Receivables, payables and other monetary items denominated in foreign currencies are translated using the exchange rates applicable at the balance sheet date. The difference between the exchange rate applicable at the balance sheet date and at the date at which the receivable or payable arose or was recognised in the latest annual report is recognised under financial income or expenses in the income statement. Fixed assets, inventories and other non-monetary assets acquired in foreign currencies are translated using historical exchange rates.

On recognition of independent foreign entities, the income statements are translated at the exchange rates applicable at the transaction date or approximate average exchange rates. The balance sheet items are translated using the exchange rates applicable at the balance sheet date. Foreign currency translation adjustments arising from the translation of equity at the beginning of the year using the exchange rates applicable at the balance sheet date and from the translation of income statements from average exchange rates to the exchange rates applicable at the balance sheet date are recognised directly in equity under the foreign currency translation reserve.

Translation adjustments of intercompany balances with independent foreign entities, measured using the equity method and where the balance is considered to be part of the overall investment, are recognised directly in equity under the foreign currency translation reserve. On the divestment of foreign entities, accumulated exchange differences are recognised in the income statement.

LEASES

Leases relating to assets where the company has substantially all the risks and benefits incidental to the ownership of the asset (finance leases) are recognised in the balance sheet. On initial recognition, assets held under finance leases and related lease commitments are measured at the lower of the fair value of the leased asset and the present value of future lease payments. Subsequently, assets held under finance leases are treated like other similar assets.

21. Accounting policies - continued -

Lease commitments relating to assets held under finance leases are recognised in the balance sheet as payables. Subsequent to initial recognition, lease commitments are measured at amortised cost according to which the interest element of the lease payment is recognised in the income statement over the lease term.

Lease payments relating to operating leases are recognised in the income statement on a straight-line basis over the lease term.

INCOME STATEMENT

Revenue

Income from the sale of goods is recognised in the income statement if delivery has taken place and the risk has passed to the buyer before the end of the financial year and where the selling price can be determined reliably and is expected to be paid. Revenue is measured at fair value and is determined exclusive of VAT and other taxes collected on behalf of third parties and less discounts.

Income from the sale of services is recognised in the income statement as delivery takes place (delivery method). Revenue is measured at the selling value of the agreed consideration exclusive of VAT and other taxes collected on behalf of third parties and less discounts.

Income from construction contracts involving the delivery of highly customised assets are recognised in the income statement as revenue according to the stage of completion. Accordingly, revenue corresponds to the selling price of work performed during the year (percentage of completion method).

Other operating income

Other operating income comprises income of a secondary nature in relation to the enterprise’s activities, including rental income, negative goodwill and gains on the sale of intangible assets and property, plant and equipment.

21. Accounting policies - continued -

Costs of raw materials and consumables

Costs of raw materials and consumables comprise raw materials and consumables used for the year as well as any changes in inventories, including any inventory wastage.

Write-downs of inventories of raw materials and consumables are also recognised under raw materials and consumables to the extent that these do not exceed normal write-downs.

Other external expenses

Other external expenses comprise costs relating to distribution, sales and advertising and administration, premises and bad debts to the extent that these do not exceed normal write-downs.

Staff costs

Staff costs comprise wages and salaries as well as other staff-related costs.

Depreciation and impairment losses

The depreciation of property, plant and equipment aim at systematic depreciation over the expected useful lives of the assets. Assets are depreciated according to the straight-line method based on the following expected useful lives and residual values:

	Useful lives, years	Residual value, per cent
Acquired rights		0
Plant and machinery	3-5	0
Other plant, fixtures and fittings, tools and equipment	3-5	0

The basis of depreciation is the cost of the asset less the expected residual value at the end of the useful life. Moreover, the basis of depreciation is reduced by any impairment losses. The useful life and residual value are determined when the asset is ready for use and reassessed annually.

Property, plant and equipment are impaired in accordance with the accounting policies referred to in the 'Impairment losses on fixed assets' section.

21. Accounting policies - continued -

Other operating expenses

Other operating expenses comprise costs of a secondary nature in relation to the enterprise's activities, including costs relating to rental activities and losses on the sale of intangible assets and property, plant and equipment.

Income from equity investments in group entreprises and associates

For equity investments in equity investments in associates and in the parent also equity investments in subsidiaries that are measured using the equity method, the share of the enterprises' profit or loss is recognised in the income statement after elimination of unrealised intercompany profits and losses and less any goodwill amortisation and impairment losses. For associates only the proportionate share of intercompany gains and losses is eliminated.

Income from equity investments in equity investments in subsidiaries and associates also comprises gains and losses on the sale of equity investments.

Other net financials

Interest income and interest expenses, the interest element of finance lease payments, foreign exchange gains and losses on transactions denominated in foreign currencies etc. are recognised in other net financials.

Tax on profit/loss for the year

The current and deferred tax for the year is recognised in the income statement as tax on the profit/loss for the year with the portion attributable to the profit/loss for the year, and directly in equity with the portion attributable to amounts recognised directly in equity.

The company is jointly taxed with Danish consolidated enterprises.

In connection with the settlement of joint taxation contributions, the current Danish income tax is allocated between the jointly taxed enterprises in proportion to their taxable incomes. This means that enterprises with a tax loss receive joint taxation contributions from enterprises which have been able to use this loss to reduce their own taxable profit.

21. Accounting policies - continued -

BALANCE SHEET

Intangible assets

Acquired rights

Aquired rights are measured in the balance sheet at cost less accumulated amortisation and impairment losses.

Acquired rights are amortised using the straight-line method based on useful lives, which are stated in the ‘Depreciation and impairment losses’ section.

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

Property, plant and equipment

Property, plant and equipment comprise plant and machinery as well as other fixtures and fittings, tools and equipment.

Property, plant and equipment are measured in the balance sheet at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and expenses resulting directly from the purchase until the asset is ready for use. Interest on loans arranged to finance production is not included in the cost.

Property, plant and equipment are depreciated using the straight-line method based on useful lives and residual values, which are stated in the ‘Depreciation and impairment losses' section.

Property, plant and equipment under construction

Property, plant and equipment under construction are measured at cost. Costs incurred on property, plant and equipment under construction are transferred to the relevant asset category when the asset is ready for use.

Gains and losses on the disposal of property, plant and equipment

Gains and losses on the disposal of property, plant and equipment are determined as the difference between the selling price, if any, less selling costs and the carrying amount at the date of disposal less any costs of disposal.

21. Accounting policies - continued -

Equity investments in group entreprises and associates

Equity investments in group enterprises

Equity investments in subsidiaries are recognised and measured according to the equity method in the balance sheet of the parent. For equity investments in subsidiaries, the equity method is considered a measurement method, and reference is made to the 'Equity method' section for further details.

Accounting policies for the acquisition of subsidiaries are stated in the 'Business combinations' section.

Equity investments in associates

In the balance sheet, equity investments in associates are recognised and measured according to the equity method. For equity investments in associates, the equity method is considered a measurement method, and reference is made to the 'Equity method' section for further details.

Accounting policies for the acquisition of equity investments in associates are subject to the same accounting policies as for business combinations, see the description in the 'Business combinations' section.

Equity method

On initial recognition, equity investments measured according to the equity method are measured at cost. Transaction costs directly attributable to the acquisition are recognised in the cost of equity investments. However, transaction costs on the acquisition of subsidiaries are recognised in the income statement in the consolidated financial statements at the date incurred.

On subsequent recognition and measurement of equity investments according to the equity method, equity investments are measured at the proportionate share of the enterprises' equity value, determined according to the accounting policies of the parent, adjusted for the remaining value of goodwill and gains and losses on transactions with the enterprises in question. Equity investments, where information for recognition according to the equity method is not known, are measured at cost.

Gains or losses on disposal of equity investments

Gains or losses on disposal of equity investments are determined as the difference between the disposal consideration and the carrying amount of net assets at the time of sale, including non-amortised goodwill, as well as the expected costs of divestment or discontinuation. Gains and losses are recognised in the income statement under income from equity investments.

21. Accounting policies - continued -

Impairment losses on fixed assets

The carrying amount of fixed assets which are not measured at fair value is assessed annually for indications of impairment over and above what is reflected in depreciation.

If the company's realised return on an asset or a group of assets is lower than expected, this is considered an indication of impairment.

If there are indications of impairment, an impairment test is conducted of individual assets or groups of assets.

The assets or groups of assets are impaired to the lower of recoverable amount and carrying amount.

The higher of net selling price and value in use is used as the recoverable amount. The value in use is determined as the present value of expected net cash flows from the use of the asset or group of assets as well as expected net cash flows from the sale of the asset or group of assets after the expiry of their useful lives.

Impairment losses are reversed when the reasons for the impairment no longer exist.

Inventories

Inventories are measured at cost calculated according to the FIFO-method. Inventories are written down to the lower of cost and net realisable value.

The cost of raw materials and consumables as well as goods for resale is determined as purchase prices plus expenses resulting directly from the purchase.

The net realisable value of inventories is determined as the selling price less costs of completion and costs necessary to make the sale and is determined taking into account marketability, obsolescence and the expected development in the selling price.

Receivables

Receivables are measured at amortised cost, which usually corresponds to the nominal value, less write-downs for bad debts.

Write-downs for bad debts are determined based on an individual assessment of each receivable if there is no objective evidence of individual impairment of a receivable.

21. Accounting policies - continued -

Deposits recognised under assets comprise deposits paid to the lessor under leases entered into by the company.

Work in progress for third parties

Work in progress for third parties is measured at the selling price of the work performed less on-account invoicing made for each piece of work in progress.

The selling price is measured according to the stage of completion at the balance sheet date and total expected income from each piece of work in progress. The degree of completion for each piece of work in progress is normally calculated as the ratio between the resources spent and the total budgeted resource consumption. For some work in progress where the resource consumption cannot be used as a basis, the ratio between completed subactivities and the combined subactivities for the individual piece of work in progress is used instead.

When the selling price of a piece of work in progress cannot be determined reliably, the selling price is measured at the lower of costs incurred and net realisable value.

The individual piece of work in progress is recognised under receivables or payables in the balance sheet depending on whether the net value of the selling price less prepayments received is positive or negative.

When it is likely that the total costs of the individual piece of work in progress will exceed total sales income, the total expected loss is recognised as a provision.

Prepayments

Prepayments recognised under assets comprise costs incurred in respect of subsequent financial years.

Cash

Cash includes deposits in bank accounts as well as operating cash.

Equity

The net revaluation of equity investments measured according to the equity method is recognized in the financial statements of the parent in the net revaluation reserve in equity according to the equity method to the extent that the carrying amount exceeds the cost.

21. Accounting policies - continued -

Current and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the basis of the taxable income for the year, adjusted for tax paid on account.

Joint taxation contributions payable and receivable are recognised as income tax under receivables or payables in the balance sheet.

Deferred tax liabilities and tax assets are recognised on the basis of all temporary differences between the carrying amounts and tax bases of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is non-amortisable for tax purposes and other items where temporary differences, except for acquisitions, have arisen at the date of acquisition without affecting the net profit or loss for the year or the taxable income. In cases where the tax value can be determined according to different taxation rules, deferred tax is measured on the basis of management's intended use of the asset or settlement of the liability.

Deferred tax assets are recognised, following an assessment, at the expected realisable value through offsetting against deferred tax liabilities within the same tax jurisdiction or elimination in tax on future earnings.

Deferred tax is measured on the basis of the tax rules and at the tax rates in the respective countries which, according to the legislation in force at the balance sheet date, will be applicable when the deferred tax is expected to crystallise as current tax.

Payables

Long-term payables are measured at cost at the time of contracting such liabilities (raising of the loan). The payables are subsequently measured at amortised cost where capital losses and loan expenses are recognised in the income statement as a financial expense over the term of the payable on the basis of the calculated effective interest rate in force at the time of contracting the liability.

Short-term payables are measured at amortised cost, normally corresponding to the nominal value of such payables.

CASH FLOW STATEMENT

Referring to section 86(4) of the Danish Financial Statements Act a cash flow statement has not been prepared for the parent as the parent is included in the consolidated cash flow statement.