BEIERHOLM
VI SKABER BALANCE

Energi Innovation Holding A/S

Vinkelvej 12, 6600 Vejen

CVR no. 41 15 35 20

Annual report for 2023

Årsrapporten er godkendt på den
ordinære generalforsamling, d. 04.06.24

Poul Søndermark Svendsen
Dirigent

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Group information etc.

The company

Energi Innovation Holding A/S
Vinkelvej 12
6600 Vejen

Registered office: Vejen kommune
CVR no.: 41 15 35 20
Financial year: 01.01 - 31.12

Executive Board

Niels Frederiksen

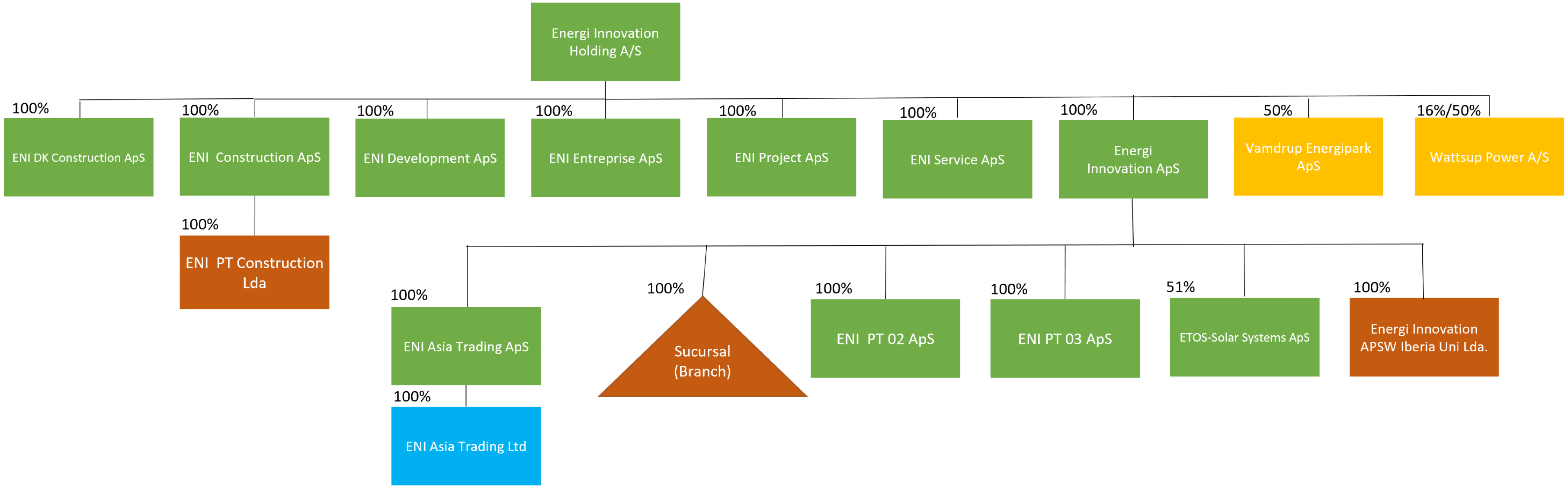
Board of Directors

Poul Søndermark Svendsen
Niels Frederiksen
Ida Jefsen Christensen

Auditors

Beierholm
Statsautoriseret Revisionspartnerselskab

Group chart


Energi Innovation Holding A/S
100%
ENI DK Construction ApS
100%
ENI Construction ApS
100%
ENI PT Construction Lda
100%
ENI Development ApS
100%
ENI Entreprise ApS
100%
ENI Project ApS
100%
ENI Service ApS
100%
Energi Innovation ApS
50%
Vamdrup Energipark ApS
16%/50%
Wattsup Power A/S
100%
ENI Asia Trading ApS
100%
ENI Asia Trading Ltd
100%
Sucursal (Branch)
100%
ENI PT 02 ApS
100%
ENI PT 03 ApS
51%
ETOS-Solar Systems ApS
100%
Energi Innovation APSW Iberia Uni Lda.

Statement by the Executive Board and Board of Directors on the annual report

We have on this day presented the annual report for the financial year 01.01.23 - 31.12.23 for Energi Innovation Holding A/S.

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

In our 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 31.12.23 and of the results of the group's and parent's activities and of the group's cash flows for the financial year 01.01.23 - 31.12.23.

We 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, June 4, 2024

Executive Board

Niels Frederiksen

Board of Directors

Poul Søndermark Svendsen Chairman	Niels Frederiksen	Ida Jefsen Christensen

To the shareholders of Energi Innovation Holding A/S

Opinion

We have audited the consolidated financial statements and financial statements of Energi Innovation Holding A/S for the financial year 01.01.23 - 31.12.23, which comprise income statement, balance sheet, statement of changes in equity and notes to the financial statements, including significant accounting policies for the group as well as for the parent company as well as the consolidated cash flow statement. The consolidated financial statements and financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion the consolidated financial statements and financial statements give a true and fair view of the group's and the company's financial position at 31.12.23 and of the results of the group's and the company's operations and consolidated cash flows for the financial year 01.01.23 - 31.12.23 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) 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 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’ International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on the management’s review

Management is responsible for the management’s review.

Our opinion on the consolidated financial statements and financial statements does not cover the 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 financial statements, it is our responsibility 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 the management’s review is in accordance with the consolidated financial statements and financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management’s review.

Management's responsibilities for the consolidated financial statements and financial statements

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

In preparing the consolidated financial statements and financial statements, management is responsible for assessing the group's and the 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 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 financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and 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 ISAs 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 financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and 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 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 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 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 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 financial statements, including the disclosures, and whether the consolidated financial statements and 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 performance 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.

Haderslev, June 4, 2024

Beierholm

Statsautoriseret Revisionspartnerselskab
CVR no. 32 89 54 68

Rasmus Ørskov

State Authorized Public Accountant
MNE-no. mne42777

GROUPS FINANCIAL HIGHLIGHTS

Key figures

Figures in DKK '000	2023	2022	2021	10.02.20 31.12.20
Profit/loss				
Revenue	904,646	382,173	101,230	340,225
Operating profit/loss	34,679	118,879	1,779	55,056
Total net financials	-371	-1,126	-5,335	-2,392
Profit before tax	34,308	117,753	-3,556	52,665
Index	65	224	-7	100
Total tax	-7,340	-2,743	-653	-13,136
Index	56	21	5	100
Profit for the year	26,968	115,010	-4,209	39,528
Balance				
Total assets	285,085	415,099	277,763	248,270
Investments in property, plant and equipment	5,564	1,508	1,927	6,659
Equity	160,979	150,391	35,382	39,610
Cashflow				
Net cash flow:				
Operating activities	-20,772	-655	-1,091	55,880
Investing activities	-3,336	74,800	-8,472	-62,419
Financing activities	-15,865	-1,384	368	1,086
Cash flows for the year	-39,973	72,761	-9,195	-5,453

Ratios

	2023	2022	2021	10.02.20 31.12.20
Profitability				
Return on equity	17%	124%	-11%	100%
Gross margin	12%	40%	58%	23%
Profit margin	4%	31%	2%	16%
Asset turnover	2.6	1.1	0.4	1.4

Equity ratio				
Solvency ratio	56%	36%	14%	16%
Others				
Number of employees (average)	79	60	113	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: $\frac{\text{Revenue}}{\text{Avg. total assets}}$

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

Primary activities

The group's activities comprise in operating as a turnkey contractor, engaging in long-term service agreements with a focus on large photovoltaic parks in Europe.

Development in activities and financial affairs

The income statement for the period 01.01.23 - 31.12.23 shows a profit/loss of DKK 26,968k against DKK 115,010k for the period 01.01.22 - 31.12.22. The balance sheet shows equity of DKK 160,979k.

The result for the year has been affected by challenges related to the completion of one of the projects. Please refer to note 1.

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

The expectations for 2023 were a profit before tax in the region of DKK 100,000 - 150,000k and an improvement of cash position. The objective was not met due to less executed projects than expected because several projects where postponed due to the increased interest level and decrease of energy prices. It is managements expectations that the postponed projects will be carried out later when the interest level is stabilized. The result for 2023 has also been affected by a settlement regarding a photovoltaic park build previously years. The consequences of the settlement is recognized in the financial statement with DKK 26,000k.

Outlook

The company expects a profit before tax in the region of DKK 75,000 - 125,000k for the coming year as a result of profit from finalized projects in 2024 and profit from sale of investments in associates. It is the managements expectation that postponed project will be executed in 2024.

Knowledge resources

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

Financial risks

Price risks

The group is exposed to normal commodity price risks, mainly on silicon, steel, aluminum and copper that is raw materials in the constructions, and it is the aim for the Group to pass on price flotations on the main components to the customers.

The Group is not hedging risk on raw materials, interests or exchange rate risks.

Foreign currency risks

The groups currency policy is to mainly do trading in DKK and EUR to minimize the exchange rate risk. .

Credit risks

The Group is considering the credit risks for each customer, and it is the policy of the group to receive prepayments or guarantees to cover the risks of the projects.

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

It is the expectation that the branch will be closed during 2024.

Corporate social responsibility

Business model

The group´s primary activities consist in operating as a turnkey contractor within the photovoltic segment in Europe with own engineering- and construction teams. The Group operates in Europe and Scandinavia from its Headquarter in Denmark and with subsidiaries in Portugal. The Group has capabilities to assist our customers with long-term service agreements with a focus on large photovoltaic parks in Europe.

The group will continue to act as a responsible business that reduces negative impacts on stakeholders and the surrounding society. On an ongoing basis, management is working on implementing policies for social responsibility in 2024 with the implementation of a Code of Conduct together with an overall quality management system, which is expected to be certified according to ISO 9001.

Principal risks

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 and environment. So far, the group has not implemented corporate social responsibility policies because it is going to be a part of a larger change in the group structure to get the policies implemented and is planned for 2024. Instead of a formal policy, the group has chosen to implement very specific actions and initiatives that ensure social responsibility. We only buy photovoltaic panels from Tier1 suppliers to ensure good conditions at the suppliers regarding social responsibility.

The intention during 2024 for the Group is to implement policies regarding environmental and climate, Social matters and employee conditions, Respect for human rights, Anticorruption and bribery. The work for the policies has started on a group strategi meeting and it is expected that policies is implemented during 2nd halv of 2024. The group is aware of the risk related to the Photovoltic Panels is produced in Asia where there can be challenges with human rights and working conditions. The group is working on to avoid these risks.

Overall the group acts within generally applied principles and sound business morals and follows normal way of code of conduct and it will inherently mean that the group acts socially responsibly.

There is being implemented policies for Code of Conduct for the coming year. The Group will continue to act as a responsible business that reduces negative impacts on stakeholders and the surrounding society. On an ongoing basis, management will assess the future need for adopting formal corporate social responsibility policies.

Environmental matters

The group operates with a focus on our materials environmental and climate impact. There is not considered a material risk in relation to its business activities higher than normal within the area. The group is aware of that the production of photovoltaic panels in Asia and that the production is associated with a significant environmental impact regarding the transport to Europe. There is no specific business policies in the area.

Social and employee matters

The employees in the group is considered to be important assets and crucial for the group's success.

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. In Denmark we have collective agreements with Unions to ensure good working conditions for the employees. The group has a proportion of 20% women in the workforce. The Group has no 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. No incident related to violation of human rights was reported during the financial year. The Group has no specific policies in the area.

Anti-corruption and bribery matters

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. There has in 2023 not occurred issues regarding corruption or bribery and the group has focus on not receiving presents from suppliers to avoid risks. No material risks are considered to exist in relation to the group's business activities. The Group has no specific policies in the area.

Gender composition of the management

Supreme management body

The company sees gender diversity on the Board of Directors as important to ensure that both genders are represented and can contribute to the company being viewed from different angles.

	31.12.23	31.12.22	31.12.21	31.12.20	09.02.20
Number of members	3	*)	*)	*)	*)
Underrepresented sex (%)	33%	*)	*)	*)	*)

*) The table does not contain information for 2022 and earlier, in line with section 99 b(7) of the Danish Financial Statements Act.

Gender balance

The company's Board of Directors consists of 1 woman (33%) and 2 men (67%), as shown in the table above. The goal of gender balance has thus been achieved. This gender balance is expected to be maintained in future.

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

Accounting policies

The gender diversity ratio in the supreme management body is calculated as the proportion of female board members on the Board of Directors. It only includes board members elected by the general meeting. There is no employee representatives in the Board of Directors.

Other management levels

Other levels of management include the Executive Board, and people with responsibility for personnel who report directly to the Executive Board.

	31.12.23	31.12.22	31.12.21	31.12.20	09.02.20
Number of managers	1	*)	*)	*)	*)
Underrepresented sex (%)	0%	*)	*)	*)	*)

*) The table does not contain information for 2022 and earlier, in line with section 99 b(7) of the Danish Financial Statements Act.

Exempt from the requirement to set targets due to having less than three people in other management levels

The company's other management levels consist of 1 manager, including the company's CEO. Since the company has less than the statutory minimum of three managers at other management levels, there is no need to report on gender distribution at the other management levels. However, the company is not exempt from having to state the total number of people at the other management levels, and the proportion of the underrepresented sex (see the table above).

Accounting policies

The gender diversity ratio at other management levels is calculated as the proportion of female managers with responsibility for personnel out of the total number of managers with responsibility for personnel at the other management levels.

The group has adopted a policy that intends to increase the participation of the under-represented sex at other 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 company supports female employee's development with interviews and training.

As last year the management consists of two men, in the financial year there has been created a board of directors there consists of two men and one woman. In the Group´s workforce there is a total diversity of 20% of female workers.

Data ethics

The group's activities and business model does not comprise data processing to an extent where the management find it necessary to establish a data ethics policy. Furthermore, the group does not process and use algorithm for data analysis and therefore it is not an integrated part of the group's strategy and business model..

Income statement

Note		Group 2023 DKK '000	Group 2022 DKK '000	Parent 2023 DKK '000	Parent 2022 DKK '000
2	**Revenue**	**904,646**	**382,173**	**0**	**0**
	Other operating income	8,018	111,295	0	0
	Costs of raw materials and consumables	-790,106	-320,631	0	0
	Cost of sales	0	-2	0	0
	Other external expenses	-17,147	-21,717	-167	-51
	Gross result	**105,411**	**151,118**	**-167**	**-51**
3	Staff costs	-42,091	-30,175	0	0
	Profit/loss before depreciation, amortisation, write-downs and impairment losses	**63,320**	**120,943**	**-167**	**-51**
	Depreciation and impairments losses of property, plant and equipment	-2,939	-1,939	0	0
	Write-downs of current assets exceeding normal write-downs	-16,360	0	0	0
	Other operating expenses	-9,342	-125	0	0
	Operating profit/loss	**34,679**	**118,879**	**-167**	**-51**
5	Income from equity investments in group enterprises	0	0	-7,837	113,890
6	Income from equity investments in associates	2,907	-353	2,907	-353
7	Financial income	3,239	751	42,344	1
8	Financial expenses	-6,517	-1,524	-1,275	-1,195
	Profit before tax	**34,308**	**117,753**	**35,972**	**112,292**
9	Tax on profit for the year	-7,340	-2,743	-9,017	273
	Profit for the year	**26,968**	**115,010**	**26,955**	**112,565**

Proposed appropriation account

	Group 2023	Group 2022	Parent 2023	Parent 2022
Reserve for net revaluation according to the equity method	0	0	-18,842	127,225
Proposed dividend for the financial year	5,400	16,400	5,400	16,400
Non-controlling interests	16	31	0	0
Retained earnings	21,552	98,579	40,397	-31,060
Total	**26,968**	**115,010**	**26,955**	**112,565**

Balance sheet

ASSETS

Note		Group 31.12.23 DKK '000	Group 31.12.22 DKK '000	Parent 31.12.23 DKK '000	Parent 31.12.22 DKK '000
	Acquired rights	71	0	0	0
	Development projects in progress	0	46	0	0
11	**Total intangible assets**	**71**	**46**	**0**	**0**
	Leasehold improvements	53	107	0	0
	Plant and machinery	0	1,924	0	0
	Other fixtures and fittings, tools and equipment	6,933	3,878	0	0
12	**Total property, plant and equipment**	**6,986**	**5,909**	**0**	**0**
13	Equity investments in group enterprises	0	0	82,292	182,262
13	Equity investments in associates	21,309	10,162	21,309	10,162
13	Other investments	1	0	0	0
14	Deposits	86	86	0	0
14	Other receivables	0	9,738	0	9,738
	Total investments	**21,396**	**19,986**	**103,601**	**202,162**
	Total non-current assets	**28,453**	**25,941**	**103,601**	**202,162**
	Manufactured goods and goods for resale	5,028	78,516	0	0
	Total inventories	**5,028**	**78,516**	**0**	**0**
15	Work in progress for third parties	64,219	31,324	0	0
	Trade receivables	20,315	30,982	0	0
	Receivables from group enterprises	0	8,515	130,985	49
	Receivables from associates	23,862	22,682	0	0
	Deferred tax asset	391	215	0	0
	Income tax receivable	0	0	0	559
	Other receivables	120,148	152,730	0	0
	Prepayments	1,329	845	0	0
16	**Total receivables**	**230,264**	**247,293**	**130,985**	**608**
	Cash	**21,340**	**63,349**	**0**	**2**
	Total current assets	**256,632**	**389,158**	**130,985**	**610**
	Total assets	**285,085**	**415,099**	**234,586**	**202,772**

Balance sheet

EQUITY AND LIABILITIES

Note		Group		Parent	
		31.12.23 DKK '000	31.12.22 DKK '000	31.12.23 DKK '000	31.12.22 DKK '000
17	Contributed capital	400	40	400	40
	Reserve for net revaluation according to the equity method	0	0	37,658	56,483
	Reserve for development costs	0	36	0	0
	Retained earnings	155,152	133,904	117,494	77,457
	Proposed dividend for the financial year	5,400	16,400	5,400	16,400
	Equity attributable to owners of the parent	**160,952**	**150,380**	**160,952**	**150,380**
18	Non-controlling interests	27	11	0	0
	Total equity	**160,979**	**150,391**	**160,952**	**150,380**
19	Provisions for deferred tax	76	5,718	0	0
	Other provisions	0	0	16,068	0
	Total provisions	**76**	**5,718**	**16,068**	**0**
20	Payables to other credit institutions	455	0	0	0
20	Lease commitments	2,176	820	0	0
20	Other payables	683	2,150	0	0
	Total long-term payables	**3,314**	**2,970**	**0**	**0**
20	Short-term part of long-term payables	959	768	0	0
	Payables to other credit institutions	3,200	5,236	0	0
15	Prepayments received from work in progress for third parties	3,193	84,007	0	0
	Trade payables	14,964	102,485	67	31
	Payables to group enterprises	33,555	16,940	37,957	41,846
	Income taxes	13,334	17,379	9,017	0
	Other payables	51,511	29,205	10,525	10,515
	Total short-term payables	**120,716**	**256,020**	**57,566**	**52,392**
	Total payables	**124,030**	**258,990**	**57,566**	**52,392**
	Total equity and liabilities	**285,085**	**415,099**	**234,586**	**202,772**

21 Contingent liabilities
22 Charges and security
23 Related parties

Figures in DKK '000	Contributed capital	Reserve for net revaluation according to the equity method	Reserve for development costs	Retained earnings	Proposed dividend for the financial year	Equity attributable to owners of the parent	Non-controlling interests	Total equity
Group:								
Statement of changes in equity for 01.01.23 - 31.12.23								
Balance as at 01.01.23	40	0	36	133,904	16,400	150,380	11	150,391
Capital increase	360	0	0	-360	0	0	0	0
Dividend paid	0	0	0	0	-16,400	-16,400	0	-16,400
Other changes in equity	0	0	-36	56	0	20	0	20
Net profit/loss for the year	0	0	0	21,552	5,400	26,952	16	26,968
Balance as at 31.12.23	400	0	0	155,152	5,400	160,952	27	160,979
Parent:								
Statement of changes in equity for 01.01.23 - 31.12.23								
Balance as at 01.01.23	40	56,483	0	77,457	16,400	150,380	0	150,380
Foreign currency translation adjustment of foreign enterprises	0	17	0	0	0	17	0	17
Capital increase	360	0	0	-360	0	0	0	0
Dividend paid	0	0	0	0	-16,400	-16,400	0	-16,400
Net profit/loss for the year	0	-18,842	0	40,397	5,400	26,955	0	26,955
Balance as at 31.12.23	400	37,658	0	117,494	5,400	160,952	0	160,952

Consolidated cash flow statement

Note		Group 2023 DKK '000	Group 2022 DKK '000
	Profit for the year	**26,968**	**115,010**
24	Adjustments	36,352	5,926
	Change in working capital:		
	Inventories	73,488	-54,348
	Receivables	-16,853	-117,006
	Trade payables	-87,520	79,217
	Other payables relating to operating activities	-32,550	-28,601
	Cash flows from operating activities before net financials	**-115**	**198**
	Interest income and similar income received	3,239	943
	Interest expenses and similar expenses paid	-6,517	-1,796
	Income tax paid	-17,379	0
	Cash flows from operating activities	**-20,772**	**-655**
	Purchase of intangible assets	-71	-46
	Sale of intangible assets	0	87,735
	Purchase of property, plant and equipment	-3,289	-2,424
	Sale of property, plant and equipment	25	50
	Purchase of securities and equity investments	-1	-10,515
	Cash flows from investing activities	**-3,336**	**74,800**
	Raising of additional capital	3,023	0
	Dividend paid	-16,400	0
	Repayment of lease commitments	-2,488	-1,353
	Arrangement of other long-term payables	0	-31
	Cash flows from financing activities	**-15,865**	**-1,384**
	Total cash flows for the year	**-39,973**	**72,761**
	Cash, beginning of year	63,349	20,415
	Short-term payables to credit institutions, beginning of year	-5,236	-35,063
	Cash, end of year	**18,140**	**58,113**
	Cash, end of year, comprises:		
	Cash	21,340	63,349
	Short-term payables to credit institutions	-3,200	-5,236
	Total	**18,140**	**58,113**

1. Special items

Special items are income and expenses that are special due to their size and nature. The following special items were recorded in the financial year:

		Group		Parent	
Special items:	Recognised in the income statement in:	2023 DKK '000	2022 DKK '000	2023 DKK '000	2022 DKK '000
Gain on divestment of group enterprises	Other operating income	0	109,835	0	0
Write-downs on other current assets	Write-downs of current assets exceeding normal write-downs	-16,360	0	0	0
Settlement	Other operating expenses	-9,316	0	0	0
Gain on the divestment of group enterprises	Income from equity investments in group enterprises	0	0	0	108,517
Total		-25,676	109,835	0	108,517

In previous years the Group has build a photovoltaic park which has been completed in 2023. The project has resulted in a financial loss. A settlement agreement has been made between the partners and the consequences of this settlement are recognised in the financial statements.

	Group		Parent	
	2023 DKK '000	2022 DKK '000	2023 DKK '000	2022 DKK '000

2. Revenue

Revenue comprises the following activities:

Service and consultancy	12,203	5,753	0	0
Construction of photovoltaic parks	892,443	352,950	0	0
Electricity	0	23,470	0	0
Total	904,646	382,173	0	0

Revenue comprises the following geographical markets:

Denmark	125,045	33,706	0	0
Portugal	779,601	348,467	0	0
Total	904,646	382,173	0	0

3. Staff costs

Wages and salaries	32,938	23,900	0	0
Pensions	3,031	2,137	0	0
Other social security costs	2,372	1,769	0	0
Other staff costs	3,750	2,369	0	0
Total	42,091	30,175	0	0
Average number of employees during the year	79	60	0	0

Remuneration for the management:

Remuneration for the Executive Board and Board of Directors	5,124	3,717	0	0

	Group		Parent	
	2023 DKK '000	2022 DKK '000	2023 DKK '000	2022 DKK '000

4. Fees to auditors appointed by the general meeting

Statutory audit of the financial statements	308	266	38	34
Other assurance engagements	24	0	25	0
Tax advice	14	120	2	0
Other services	66	0	0	0
Total	412	386	65	34

5. Income from equity investments in group enterprises

Share of profit or loss of group enterprises	0	0	-9,291	6,827
Elimination of internal gains and losses	0	0	1,454	-1,454
Gain on the divestment of group enterprises	0	0	0	108,517
Total	0	0	-7,837	113,890

6. Income from equity investments in associates

Share of profit or loss of associates	5,348	-3	5,348	-3
Amortisation of goodwill	-2,441	-350	-2,441	-350
Total	2,907	-353	2,907	-353

7. Financial income

Interest, group enterprises	0	0	2,274	0
Other financial income	3,239	751	40,070	1
Total	3,239	751	42,344	1

	Group		Parent	
	2023 DKK '000	2022 DKK '000	2023 DKK '000	2022 DKK '000

8. Financial expenses

Interest, group enterprises	932	289	1,127	1,195
Other financial expenses total	5,585	1,235	148	0
Total	6,517	1,524	1,275	1,195

9. Tax on profit for the year

Current tax for the year	13,390	17,581	9,017	-559
Adjustment of deferred tax for the year	-5,817	-14,842	0	286
Adjustment of tax in respect of previous years	-233	4	0	0
Total	7,340	2,743	9,017	-273

10. Proposed appropriation account

Reserve for net revaluation according to the equity method	0	0	-18,842	127,225
Proposed dividend for the financial year	5,400	16,400	5,400	16,400
Non-controlling interests	16	31	0	0
Retained earnings	21,552	98,579	40,397	-31,060
Total	26,968	115,010	26,955	112,565

11. Intangible assets

Figures in DKK '000	Acquired rights	Development projects in progress
Group:		
Cost as at 01.01.23	0	46
Additions during the year	71	0
Disposals during the year	0	-46
Cost as at 31.12.23	71	0
Carrying amount as at 31.12.23	71	0

12. Property, plant and equipment

Figures in DKK '000	Leasehold improvements	Plant and machinery	Other fixtures and fittings, tools and equipment
Group:			
Cost as at 01.01.23	161	4,544	7,626
Foreign currency translation adjustment of foreign enterprises	0	0	2
Additions during the year	0	0	5,564
Disposals during the year	0	-2,844	-96
Cost as at 31.12.23	161	1,700	13,096
Depreciation and impairment losses as at 01.01.23	-54	-2,619	-3,749
Foreign currency translation adjustment of foreign enterprises	0	0	56
Depreciation during the year	-54	-405	-2,488
Reversal of depreciation of and impairment losses on disposed assets	0	1,324	18
Depreciation and impairment losses as at 31.12.23	-108	-1,700	-6,163
Carrying amount as at 31.12.23	53	0	6,933

13. Investments

Figures in DKK '000	Equity investments in group enterprises	Equity investments in associates	Other investments
Group:			
Cost as at 01.01.23	0	10,515	0
Additions during the year	0	0	1
Transfers during the year to/from other items	0	14,800	0
Cost as at 31.12.23	0	25,315	1
Revaluations as at 01.01.23	0	-353	0
Amortisation of goodwill	0	-2,441	0
Net profit/loss from equity investments	0	-1,825	0
Other equity adjustments relating to equity investments	0	5,675	0
Transfers during the year to/from other items	0	-5,062	0
Revaluations as at 31.12.23	0	-4,006	0
Carrying amount as at 31.12.23	0	21,309	1
The item comprises goodwill as at 31.12.23 of	0	17,444	0
Parent:			
Cost as at 01.01.23	24,460	10,515	0
Additions relating to mergers and acquisition of enterprises	100	0	0
Transfers during the year to/from other items	0	14,800	0
Cost as at 31.12.23	24,560	25,315	0
Revaluations as at 01.01.23	157,802	-353	0
Additions relating to mergers and acquisition of enterprises	99	0	0
Foreign currency translation adjustment of foreign enterprises	17	0	0
Amortisation of goodwill	0	-2,441	0
Net profit/loss from equity investments	-9,291	-1,825	0
Dividend relating to equity investments	-108,517	0	0
Changes in intra-group profit from inventories	1,454	0	0
Other equity adjustments relating to equity investments	100	5,675	0
Transfers during the year to/from other items	0	-5,062	0
Revaluations as at 31.12.23	41,664	-4,006	0

13. Investments - continued -

Figures in DKK '000	Equity investments in group enterprises	Equity investments in associates	Other investments
Negative equity value transferred to provisions	16,068	0	0
Depreciation and impairment losses as at 31.12.23	16,068	0	0
Carrying amount as at 31.12.23	82,292	21,309	0

Name and registered office:	Ownership interest
Subsidiaries:	
ENI DK Construction ApS, Vejen kommune	100%
ENI PT 02 ApS, Vejen kommune	100%
ENI PT 03 ApS, Vejen kommune	100%
ETOS-Solar Systems ApS, Vejen kommune	51%
Energi Innovation APSW Iberia Uni Lda., Portugal	100%
ENI Development ApS, Vejen kommune	100%
ENI Asia Trading ApS (Under frivillig likvidation), Vejen kommune	100%
ENI Asia Trading Ltd., Hongkong	100%
ENI Construction ApS, Vejen kommune	100%
ENIPT CONSTRUCTION, UNIPESSOAL 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:	
Vamdrup Energipark ApS, Frederikssund	50%
WattsUp Power A/S, Hvidovre	16%

The parent owns 16% of WattsUp Power A/S, but holds 34% of the voting rights through an ownership agreement with the other shareholders. Consequently, the parent has significant influence in this Company, and WattsUp Power A/S is therefore classified as an associate.

14. Other non-current financial assets

Figures in DKK '000	Deposits	Other receivables
Group:		
Cost as at 01.01.23	86	9,738
Transfers during the year to/from other items	0	-9,738
Cost as at 31.12.23	86	0
Carrying amount as at 31.12.23	86	0
Parent:		
Cost as at 01.01.23	0	9,738
Transfers during the year to/from other items	0	-9,738
Cost as at 31.12.23	0	0
Carrying amount as at 31.12.23	0	0

	Group		Parent	
	31.12.23 DKK '000	31.12.22 DKK '000	31.12.23 DKK '000	31.12.22 DKK '000

15. Work in progress for third parties

Work in progress for third parties	1,220,766	621,464	0	0
Write-down of work in progress for third parties	0	-244	0	0
On-account invoicing	-1,159,740	-673,903	0	0
Total work in progress for third parties	61,026	-52,683	0	0
Work in progress for third parties	64,219	31,324	0	0
Prepayments received from work in progress for third parties, short-term payables	-3,193	-84,007	0	0
Total	61,026	-52,683	0	0

16. Receivables

Receivables which fall due for payment more than 1 year after the end of the financial year	0	18,151	0	0

Receivable which at year end 2022 was expected fall due more than 1 year after the end of the financial year is still outstanding at year-end 2023 as expected. The receivable consists of the last payment from the contruction of 4 photovoltaic parks in Portugal. The amount will be paid 24 months after preliminary acceptance certificate which took place in 2022 meaing that the cash receipt will take place in 2024. The buyer has the right to deduct warranty costs from the payments. The valuation of the receivable presupposes that no major warranty cost will occur in the warranty period as there are no provision for the annual report for warranty cost. Management expects to receive the full amount in 2024.

17. Share capital

The share capital consists of:

	Quantity	Total nominal value DKK'000
Share capital	400,000	400
Capital increase during the financial year	360,000	360

	Group		Parent	
	31.12.23 DKK '000	31.12.22 DKK '000	31.12.23 DKK '000	31.12.22 DKK '000
18. Non-controlling interests				
Non-controlling interests, beginning of year	11	-20	0	0
Net profit/loss for the year (distribution of net profit)	16	31	0	0
Total	27	11	0	0
19. Deferred tax				
Provisions for deferred tax as at 01.01.23	-5,718	-20,110	0	0
Deferred tax recognised in the income statement	5,642	14,392	0	0
Provisions for deferred tax as at 31.12.23	-76	-5,718	0	0
Deferred tax is recognized in the balance sheet as:				
Deferred tax asset	391	215	0	0
Provisions for deferred tax	-76	-5,718	0	0
Total	315	-5,503	0	0

As at 31.12.23, the company has recognised a deferred tax asset of DKK 391k, which primarily can be attributed to tax losses carried forward from foreign subsidiaries. The deferred tax asset is recognised on the basis of expectations of positive operating results for the coming years.

20. Long-term payables

Figures in DKK '000	Repayment first year	Outstanding debt after 5 years	Total payables at 31.12.23	Total payables at 31.12.22
Group:				
Payables to credit institutions	134	0	589	0
Lease commitments	764	0	2,940	1,588
Other payables	61	650	744	2,150
Total	959	650	4,273	3,738

21. Contingent liabilities

Group:

Lease commitments

The group has concluded lease agreements with terms to maturity of 4-7 months and average lease payments of DKK 82k, a total af DKK 695k.

Recourse guarantee commitments

The group has provided a guarantee for other group enterprises' debt to credit institutions. The guarantee is maximised at DKK 40,000k.

The group has provided an unlimited guarantee for associates' debt to credit institutions. The associates' debt to the credit institutions concerned amounts to DKK 74,605k at the balance sheet date.

Guarantee commitments

The group has entered into a framework guarantee. The total guarantee frame amounts to DKK 220,000k. The guarantee has not been utilised in 2023. The group is jointly liable for other group companies' utilisation of the guarantee.

The group has provided a guarantee for a subsidiary's obligations as a contractor in connection with the construction of photovoltaic plants located in Denmark. The guarantee is maximized to DKK 561k.

Parent:

Recourse guarantee commitments

The company has provided an unlimited guarantee for associates' debt to credit institutions. The associates' debt to the credit institutions concerned amounts to DKK 74,605k at the balance sheet date.

The company has provided a guarantee for group enterprises' debt to credit institutions. The guarantee is maximised at DKK 40,000k.

Guarantee commitments

The company has entered into a framework guarantee. The total guarantee frame amounts to DKK 220,000k. The guarantee has not been utilised in 2023. The company is jointly liable for group companies' utilisation of the guarantee.

The company has provided a guarantee for a subsidiary's obligations as a contractor in connection with the construction of photovoltaic plants located in Denmark. The guarantee is maximized to DKK 561k.

Other contingent liabilities

The company is taxed jointly with the other Danish companies in the group and is liable for income taxes on a pro rata basis and must comply with any obligations to withhold tax at source on interest, royalties and dividends for the jointly taxed companies. The maximum liability totals an amount corresponding to the share of the capital in the company which is owned directly or indirectly by the ultimate parent. The liability also includes any subsequent corrections to the calculated tax liability as a consequence of changes made to the jointly taxable income etc.

22. Charges and security

Group:

The company's receivable from an associated company of DKK 22,700k is a subordinated loan capital which is secondary to other creditors.

The group has provided a company charge of DKK 40,000k as security for debt to credit institutions. As at 31.12.23, the company charge comprises the following assets:

- Goodwill and intellectual property rights
- Motor vehicles
- Other plant, fixtures and fittings, tools and equipment
- Inventories
- Trade receivables and other receivables

The company charge covers the total group credit facility of DKK 40,000k, and the group is jointly liable for the other group companies' utilisation of the credit facility.

As security of bank debt of DKK 599k, security has been provided in a car with a carrying book value of DKK 629k.

The shares in an associated company have been used as security for debts to a bank.

Parent:

The shares in an associated company have been used as security for debts to a bank.

23. Related parties

Controlling influence	Basis of influence
ENI Invest ApS (Under frivillig likvidation), Vejen kommune	Parent company
Poss Holding ApS, Vejen kommune	Ultimate parent company
Poul Søndermark Svendsen	Ultimativ ejer

After the end of the financial year, ENI Invest ApS is dissolved. Related party transactions are not disclosed, as all transactions are entered into in the ordinary course of business at arms' length.

Remuneration for the management is specified in note 3. Staff costs.

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

	Group	
	2023 DKK '000	2022 DKK '000
24. Adjustments for the cash flow statement		
Depreciation and impairments losses of property, plant and equipment	2,939	1,939
Write-down of current assets exceeding normal write-downs	16,360	0
Other operating expenses	9,342	119
Income from equity investments in associates	-2,907	353
Financial income	-3,239	-751
Financial expenses	6,517	1,523
Tax on profit or loss for the year	7,340	2,743
Total	36,352	5,926

25. 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.

The accounting policies have been applied consistently with previous years.

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.

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

25. Accounting policies - continued -

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.

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 reserve for net revaluation according to the equity method in respect of investments measured according to the equity method, and otherwise 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.

25. Accounting policies - continued -

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.

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 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 and gains on the sale of intangible assets and property, plant and equipment.

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.

25. Accounting policies - continued -

Cost of sales

Cost of sales comprises cost of sales for the year measured at cost plus any changes in inventories, including write-downs to the extent that these do not exceed normal write-downs.

Other external expenses

Other external expenses comprise production costs, selling costs, vehicle expenses, cost of premises and administrative expenses as well as other capacity costs, including 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 DKK '000
Acquired rights	15	0
Leasehold improvements	3	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.

Write-downs of current assets exceeding normal write-downs

Write-downs of current assets exceeding normal write-downs comprise write-downs of inventories, trade receivables and other current assets that due to their nature or size or otherwise due to the affairs of the enterprise are considered to exceed normal write-downs.

25. 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.

25. Accounting policies - continued -

BALANCE SHEET

Intangible assets

Development projects in progress

Development projects are recognised in the balance sheet where the project aims at developing a specific product or a specific process, intended to be produced or used, respectively, by the company in its production process. On initial recognition, development projects are measured at cost. Cost comprises the purchase price plus expenses resulting directly from the purchase, including wages and salaries directly attributable to the development projects until the asset is ready for use. Interest on loans arranged to finance development projects in the development period is not included in the cost. Other development projects and development costs are recognised in the income statement in the year in which they are incurred.

Development projects in progress are transferred to completed development projects when the asset is ready for use.

Development projects are subsequently measured in the balance sheet at cost less accumulated amortisation and impairment losses.

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

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 leasehold improvements, 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.

25. Accounting policies - continued -

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.

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.

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.

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.

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.

Equity investments with a negative carrying amount are measured at DKK 0. Receivables that are considered part of the combined investment in the enterprises in question are impaired by any remaining negative equity value. Other receivables from such enterprises are impaired to the extent that such receivables are considered uncollectible. Provisions to cover the remaining negative equity value are recognised to the extent that the parent has a legal or constructive obligation to cover the liabilities of the enterprise in question.

Goodwill recognised under equity investments is amortised according to the straight-line method

25. Accounting policies - continued -

based on an individual assessment of the useful life of the asset. The useful life of goodwill has been determined at 10 years for equity investments in associates. The useful life has been determined in consideration of the expected future net earnings of the enterprise to which the goodwill relates.

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.

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.

25. Accounting policies - continued -

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.

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.

Other investments

Equity investments that are not classified as group enterprises, associates or participating interests and which are not traded in an active market are measured in the balance sheet at cost.

25. Accounting policies - continued -

Cash

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

Equity

The proposed dividend for the financial year is recognised as a separate item in 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. Dividends from subsidiaries which are adopted before adoption of the annual report for Energi Innovation Holding A/S are not tied up in the revaluation reserve (simultaneous principle).

An amount equivalent to internally generated development costs in the balance sheet is recognised in the financial statements of the parent in equity under reserve for development costs. The reserve is measured less deferred tax and reduced by amortisation and impairment losses on the asset. If impairment losses on development costs are subsequently reversed, the reserve will be restored with a corresponding amount. The reserve is dissolved when the development costs are no longer recognized in the balance sheet, and the remaining amount will be transferred to retained earnings.

Grants received from the parent are recognised directly in equity under retained earnings, as the grants are treated as capital contributions.

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

25. Accounting policies - continued -

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 financial payables are measured at amortised cost, normally corresponding to the nominal value of such payables. Other short-term payables are measured at net realisable value.

CASH FLOW STATEMENT

The cash flow statement is prepared using the indirect method, showing cash flows from operating, investing and financing activities as well as cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities comprise the net profit or loss for the year, adjusted for non-cash operating items, income tax paid and changes in working capital.

Cash flows from investing activities comprise payments in connection with the acquisition and divestment of companies and financial assets as well as the purchase, development, improvement and sale of intangible assets and property, plant and equipment.

Cash flows from financing activities comprise changes in the parent's share capital and associated costs and financing from and dividends paid to shareholders as well as the arrangement and repayment of long-term payables. Cash flows from financing activities also comprise finance lease payments.

Cash and cash equivalents at the beginning and end of the year comprise cash and short-term payables to credit institutions.

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.