BEIERHOLM
VI SKABER BALANCE

Energi Innovation Holding ApS

Vinkelvej 12, 6600 Vejen

CVR no. 41 15 35 20

Annual report for 2022

Årsrapporten er godkendt på den
ordinære generalforsamling, d. 08.05.23

Poul Søndermark Svendsen
Dirigent

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Group information etc.

The company

Energi Innovation Holding ApS
Vinkelvej 12
6600 Vejen

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

Executive Board

Poul Søndermark Svendsen
Niels Frederiksen

Auditors

Beierholm
Statsautoriseret Revisionspartnerselskab

Parent company

ENI Invest ApS, Vejen kommune

Group chart

Can't Show Koncern Energi Innovation.png

Statement by the Executive Board on the annual report

We have on this day presented the annual report for the financial year 01.01.22 - 31.12.22 for Energi Innovation Holding ApS.

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

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 31.12.22 and of the results of the group’s and parent’s activities and of the group's cash flows for the financial year 01.01.22 - 31.12.22.

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, May 8, 2023

Executive Board

Poul Søndermark Svendsen

Niels Frederiksen

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 01.01.22 - 31.12.22, 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 as well as the consolidated cash flow statement. The consolidated financial statements and parent company financial statements are prepared in accordance with the 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 31.12.22 and of the results of the group's and the parent company's operations and the consolidated cash flows for the financial year 01.01.22 - 31.12.22 in accordance with the the Danish Financial Statements Act (Årsregnskabsloven).

Basis for Opinion

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' 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 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.

Haderslev, May 8, 2023

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	2022	2021	10.02.20 31.12.20
Profit/loss			
Revenue	382,173	101,230	340,225
Operating profit/loss	118,878	1,779	55,056
Index	216	3	100
Total net financials	-1,126	-5,335	-2,392
Profit/loss for the year	115,009	-4,209	39,528
Balance			
Total assets	415,099	277,763	248,270
Investments in property, plant and equipment	2,424	1,927	6,659
Equity	150,391	35,382	39,610

Ratios

	2022	2021	10.02.20 31.12.20
Profitability			
Return on equity	124%	-11%	100%
Gross margin	40%	58%	23%
Profit margin	31%	2%	16%
Asset turnover	1.1	0.4	1.4
Equity ratio			
Solvency ratio	36%	14%	16%
Others			
Number of employees (average)	60	113	67

Ratios definitions

Return on equity:	$\dfrac{\text{Profit/loss for the year x 100}}{\text{Average equity}}$
Gross margin:	$\dfrac{\text{Gross result x 100}}{\text{Revenue}}$
Profit margin:	$\dfrac{\text{Operating profit/loss x 100}}{\text{Revenue}}$
Asset turnover:	$\dfrac{\text{Revenue}}{\text{Avg. total assets}}$
Solvency ratio:	$\dfrac{\text{Equity, end of year x 100}}{\text{Total assets}}$

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 01.01.22 - 31.12.22 shows a profit/loss of DKK 115,009k against DKK -4,209k for the period 01.01.21 - 31.12.21. The balance sheet shows equity of DKK 150,391k.

The Group's result for 2022 has been positively impacted by the sale of one of its completed projects, which was in a separate subsidiary.

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

The expectations for 2022 were a profit before tax in the region of DKK 50,000 - 60,000k and an improvement of cash position. The objective was met primarily due to sale of a subsidiary.

Outlook

The company expects a profit before tax in the region of DKK 100,000k - 150,000k for the coming year as a result of profit from finalized projects in 2023 and profit from sale of investments in associates.

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

The Group is exposed to normal commodity price risks, mainly on steel and aluminimum 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.

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

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

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.

The Group activities / projects is expected to reduce the global Co2 impact by producing energy from Photovoltaic parks in Europe.

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 genderbalanced 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 female employee's development with interviews and training.

As last year the management was only men.

Data ethics

The groups activities and business model does not comprise data processing to an extent where the mangement 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 groups strategy and business model.

Income statement

Note		Group 2022 DKK '000	Group 2021 DKK '000	Parent 2022 DKK '000	Parent 2021 DKK '000
2	**Revenue**	**382,173**	**101,230**	**0**	**0**
	Other operating income	111,295	0	0	0
	Costs of raw materials and consumables	-320,631	-10,666	0	0
	Cost of sales	-2	-163	0	0
	Other external expenses	-21,718	-31,762	-51	-61
	Gross result	**151,117**	**58,639**	**-51**	**-61**
3	Staff costs	-30,175	-54,461	0	0
	Profit/loss before depreciation, amortisation, write-downs and impairment losses	**120,942**	**4,178**	**-51**	**-61**
	Depreciation and impairments losses of property, plant and equipment	-1,939	-2,399	0	0
	Other operating expenses	-125	0	0	0
	Operating profit/loss	**118,878**	**1,779**	**-51**	**-61**
5	Income from equity investments in group enterprises	0	0	113,890	2,744
6	Income from equity investments in associates	-353	-3,671	-353	-3,671
7	Financial income	751	265	1	0
8	Financial expenses	-1,524	-1,929	-1,195	-1,033
	Profit/loss before tax	**117,752**	**-3,556**	**112,292**	**-2,021**
9	Tax on profit or loss for the year	-2,743	-653	273	241
	Profit/loss for the year	**115,009**	**-4,209**	**112,565**	**-1,780**

10 Proposed appropriation account

Balance sheet

ASSETS

Note		Group 31.12.22 DKK '000	Group 31.12.21 DKK '000	Parent 31.12.22 DKK '000	Parent 31.12.21 DKK '000
	Acquired rights	0	87,735	0	0
	Development projects in progress	46	0	0	0
11	**Total intangible assets**	**46**	**87,735**	**0**	**0**
	Leasehold improvements	107	0	0	0
	Plant and machinery	1,925	3,179	0	0
	Other fixtures and fittings, tools and equipment	3,877	2,415	0	0
12	**Total property, plant and equipment**	**5,909**	**5,594**	**0**	**0**
13	Equity investments in group enterprises	0	0	182,262	68,372
13	Equity investments in associates	10,162	9,738	10,162	9,738
14	Deposits	86	41	0	0
14	Other receivables	9,738	0	9,738	0
	Total investments	**19,986**	**9,779**	**202,162**	**78,110**
	Total non-current assets	**25,941**	**103,108**	**202,162**	**78,110**
	Manufactured goods and goods for resale	78,516	0	0	0
	Prepayments for goods	0	24,169	0	0
	Total inventories	**78,516**	**24,169**	**0**	**0**
15	Work in progress for third parties	31,324	45,559	0	0
	Trade receivables	30,982	2,128	0	0
	Receivables from group enterprises	8,515	3,819	49	47
	Receivables from associates	22,682	0	0	0
	Deferred tax asset	215	0	0	286
	Income tax receivable	0	524	559	0
	Other receivables	152,730	76,744	0	0
	Receivables from owners and management	0	6	0	0
	Prepayments	845	1,290	0	0
16	**Total receivables**	**247,293**	**130,070**	**608**	**333**
	Cash	**63,349**	**20,416**	**2**	**5**
	Total current assets	**389,158**	**174,655**	**610**	**338**
	Total assets	**415,099**	**277,763**	**202,772**	**78,448**

Balance sheet

EQUITY AND LIABILITIES

Note		Group 31.12.22 DKK '000	Group 31.12.21 DKK '000	Parent 31.12.22 DKK '000	Parent 31.12.21 DKK '000
	Share capital	40	40	40	40
	Reserve for net revaluation according to the equity method	0	0	56,483	37,775
	Reserve for development costs	36	0	0	0
	Retained earnings	133,904	35,362	77,457	0
	Proposed dividend for the financial year	16,400	0	16,400	0
	Equity attributable to owners of the parent	**150,380**	**35,402**	**150,380**	**37,815**
17	Non-controlling interests	11	-20	0	0
	Total equity	**150,391**	**35,382**	**150,380**	**37,815**
18	Provisions for deferred tax	5,718	20,100	0	0
	Total provisions	**5,718**	**20,100**	**0**	**0**
19	Lease commitments	820	1,930	0	0
19	Other payables	2,150	2,180	0	0
	Total long-term payables	**2,970**	**4,110**	**0**	**0**
19	Short-term part of long-term payables	768	1,011	0	0
	Payables to other credit institutions	5,236	35,063	0	0
15	Prepayments received from work in progress for third parties	84,007	54,986	0	0
	Trade payables	102,485	23,258	31	31
	Payables to group enterprises	16,940	15,800	41,846	36,227
	Income taxes	17,379	0	0	0
	Other payables	29,205	88,053	10,515	4,375
	Total short-term payables	**256,020**	**218,171**	**52,392**	**40,633**
	Total payables	**258,990**	**222,281**	**52,392**	**40,633**
	Total equity and liabilities	**415,099**	**277,763**	**202,772**	**78,448**

20 Contingent liabilities
21 Charges and security
22 Related parties

Figures in DKK '000	Share 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 01.01.22 - 31.12.22								
Balance as at 01.01.22	40	0	0	35,362	0	35,402	-20	35,382
Other changes in equity	0	0	36	-36	0	0	0	0
Net profit/loss for the year	0	0	0	98,578	16,400	114,978	31	115,009
Balance as at 31.12.22	40	0	36	133,904	16,400	150,380	11	150,391
Parent:								
Statement of changes in equity for 01.01.22 - 31.12.22								
Balance as at 01.01.22	40	37,775	0	0	0	37,815	0	37,815
Distributed dividend from group enterprises	0	-108,517	0	108,517	0	0	0	0
Net profit/loss for the year	0	127,225	0	-31,060	16,400	112,565	0	112,565
Balance as at 31.12.22	40	56,483	0	77,457	16,400	150,380	0	150,380

Consolidated cash flow statement

Note		Group 2022 DKK '000	Group 2021 DKK '000
	Profit/loss for the year	**115,009**	**-4,209**
23	Adjustments	5,926	8,385
	Change in working capital:		
	Inventories	-54,348	-23,285
	Receivables	-117,006	-19,827
	Trade payables	79,217	-85,554
	Other payables relating to operating activities	-28,601	125,061
	Cash flows from operating activities before net financials	**197**	**571**
	Interest income and similar income received	943	274
	Interest expenses and similar expenses paid	-1,796	-1,936
	Cash flows from operating activities	**-656**	**-1,091**
	Purchase of intangible assets	-46	-6,545
	Sale of intangible assets	87,735	0
	Purchase of property, plant and equipment	-2,424	-1,927
	Sale of property, plant and equipment	50	0
	Purchase of securities and equity investments	-10,515	0
	Cash flows from investing activities	**74,800**	**-8,472**
	Arrangement of mortgage debt	0	1,665
	Repayment of lease commitments	-1,353	-1,306
	Arrangement of other long-term payables	-31	9
	Cash flows from financing activities	**-1,384**	**368**
	Total cash flows for the year	**72,760**	**-9,195**
	Cash, beginning of year	20,416	36,440
	Short-term payables to credit institutions, beginning of year	-35,063	-41,892
	Cash, end of year	**58,113**	**-14,647**
	Cash, end of year, comprises:		
	Cash	63,349	20,416
	Short-term payables to credit institutions	-5,236	-35,063
	Total	**58,113**	**-14,647**

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:

Special items:	Recognised in the income statement in:	Group 2022 DKK '000	Group 2021 DKK '000	Parent 2022 DKK '000	Parent 2021 DKK '000
Gain on the divestment of group enterprises	Income from equity investments in group enterprises	0	0	108,517	0
Gain on divestment of group enterprises	Other operating income	111,020	0	0	0
Total		111,020	0	108,517	0

2. 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.

	Group 2022 DKK '000	Group 2021 DKK '000	Parent 2022 DKK '000	Parent 2021 DKK '000
Revenue comprises the following activities:				
Construction of photovoltaic parks	352,950	72,793	0	0
Service and consultancy	5,753	18,382	0	0
Electricity	23,470	10,055	0	0
Total	382,173	101,230	0	0
Revenue comprises the following geographical markets:				
Portugal	348,467	41,102	0	0
Denmark	33,706	60,128	0	0
Total	382,173	101,230	0	0

	Group		Parent	
	2022 DKK '000	2021 DKK '000	2022 DKK '000	2021 DKK '000
3. Staff costs				
Wages and salaries	23,900	45,454	0	0
Pensions	2,137	3,895	0	0
Other social security costs	1,769	1,876	0	0
Other staff costs	2,369	3,236	0	0
Total	30,175	54,461	0	0
Average number of employees during the year	60	113	0	0
Remuneration for the management:				
Salaries for the Executive Board	3,348	0	0	0
Pension for the Executive Board	369	0	0	0
Total remuneration for the Executive Board	3,717	0	0	0

In 2021, the management consisted of only 1 person and therefore no information has been disclosed on the remuneration of the management.

	Group 2022 DKK '000	Group 2021 DKK '000	Parent 2022 DKK '000	Parent 2021 DKK '000
4. Fees to auditors appointed by the general meeting				
Statutory audit of the financial statements	266	267	0	0
Other assurance engagements	0	10	0	0
Tax advice	120	123	0	0
Total	386	400	0	0

	Group		Parent	
	2022 DKK '000	2021 DKK '000	2022 DKK '000	2021 DKK '000

5. Income from equity investments in group enterprises

Share of profit or loss of group enterprises	0	0	6,827	2,744
Elimination of internal gains and losses	0	0	-1,454	0
Gain on the divestment of group enterprises	0	0	108,517	0
Total	0	0	113,890	2,744

6. Income from equity investments in associates

Share of profit or loss of associates	-353	-3,671	-353	-3,671
Total	-353	-3,671	-353	-3,671

7. Financial income

Other financial income	751	265	1	0
Total	751	265	1	0

8. Financial expenses

Interest, group enterprises	289	241	1,195	1,000
Other financial expenses total	1,235	1,688	0	33
Total	1,524	1,929	1,195	1,033

	Group		Parent	
	2022 DKK '000	2021 DKK '000	2022 DKK '000	2021 DKK '000

9. Tax on profit or loss for the year

Tax on profit or loss for the year	17,581	461	-559	0
Adjustment of deferred tax for the year	-14,842	201	286	-241
Adjustment of tax in respect of previous years	4	-9	0	0
Total	2,743	653	-273	-241

10. Proposed appropriation account

Reserve for net revaluation according to the equity method	0	0	127,225	-3,171
Proposed dividend for the financial year	16,400	0	16,400	0
Non-controlling interests	31	-20	0	0
Retained earnings	98,578	-4,189	-31,060	1,391
Total	115,009	-4,209	112,565	-1,780

11. Intangible assets

Figures in DKK '000	Acquired rights	Development projects in progress
Group:		
Cost as at 01.01.22	87,735	0
Additions during the year	0	46
Disposals during the year	-87,735	0
Cost as at 31.12.22	0	46
Carrying amount as at 31.12.22	0	46

Development projects in progress relates to studies in connection with startup of a potential new photovoltaic park. Depreciation will commence when the construction of the installation is finalized or if the projects is not launched.

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 01.01.22	0	4,708	3,878
Additions during the year	161	0	2,263
Disposals during the year	0	-164	-70
Cost as at 31.12.22	161	4,544	6,071
Depreciation and impairment losses as at 01.01.22	0	-1,529	-1,464
Depreciation during the year	-54	-1,135	-750
Reversal of depreciation of and impairment losses on disposed assets	0	45	20
Depreciation and impairment losses as at 31.12.22	-54	-2,619	-2,194
Carrying amount as at 31.12.22	107	1,925	3,877
Parent:			
Carrying amount of assets held under finance leases as at 31.12.22	0	0	1,635

13. Equity investments

Figures in DKK '000	Equity investments in group enterprises	Equity investments in associates
Group:		
Cost as at 01.01.22	0	14,800
Additions during the year	0	10,515
Disposals during the year	0	-14,800
Cost as at 31.12.22	0	10,515
Revaluations as at 01.01.22	0	-5,062
Reversal of revaluations of disposed assets	0	5,062
Depreciation of other excess values in respect of equity investments	0	-350
Net profit/loss from equity investments	0	-3
Revaluations as at 31.12.22	0	-353
Carrying amount as at 31.12.22	0	10,162
The item comprises goodwill as at 31.12.22 of	0	10,147
Positive balances ascertainable on initial recognition of equity investments measured at equity value	0	0
Parent:		
Cost as at 01.01.22	24,460	14,800
Additions during the year	0	10,515
Disposals during the year	0	-14,800
Cost as at 31.12.22	24,460	10,515
Revaluations as at 01.01.22	43,912	-5,062
Foreign currency translation adjustment of foreign enterprises	-18	0
Reversal of revaluations of disposed assets	0	5,062
Depreciation of other excess values in respect of equity investments	0	-350
Net profit/loss from equity investments	115,362	-3
Changes in intra-group profit from inventories	-1,454	0
Revaluations as at 31.12.22	157,802	-353
Carrying amount as at 31.12.22	182,262	10,162
Positive balances ascertainable on initial recognition of equity investments measured at equity value	0	10,147

Notes

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	51%
Energi Innovation APSW Iberia Uni Lda., Portugal	100%
ENI O&M ApS, Vejen kommune	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%
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%
ENI Portugal ApS, Vejen kommune	100%
ENI PT Santarém Lda., Portugal	100%
Associates:	
Vamdrup Energipark ApS, Frederikssund	50%

During the year, the Group has sold one of its shares in associates back to the Company. However, the associated company did not have sufficient available equity to complete the repurchase. Legally, these shares are therefore still owned by the Group, but as Energi Innovation Holding ApS does not have any actual control in the associated company, management has chosen not to present this investments under investments in associates. The associate has therefore been recognised as sold during the financial year. No profit or loss have been recognized in the P&L in the financial year.

14. Other non-current financial assets

Figures in DKK '000	Deposits	Other receivables
Group:		
Cost as at 01.01.22	41	0
Additions during the year	86	9,738
Disposals during the year	-41	0
Cost as at 31.12.22	86	9,738
Carrying amount as at 31.12.22	86	9,738
Parent:		
Additions during the year	0	9,738
Cost as at 31.12.22	0	9,738
Carrying amount as at 31.12.22	0	9,738

15. Work in progress for third parties

	Group		Parent	
	31.12.22 DKK '000	31.12.21 DKK '000	31.12.22 DKK '000	31.12.21 DKK '000
Work in progress for third parties	621,465	520,793	0	0
Write-down of work in progress for third parties	-244	0	0	0
On-account invoicing	-673,903	-530,220	0	0
Total work in progress for third parties	-52,682	-9,427	0	0
Work in progress for third parties	31,324	45,559	0	0
Prepayments received from work in progress for third parties, short-term payables	-84,007	-54,986	0	0
Total	-52,683	-9,427	0	0

	Group		Parent	
	31.12.22 DKK '000	31.12.21 DKK '000	31.12.22 DKK '000	31.12.21 DKK '000

16. Receivables

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

Receivable which fall due more than 1 year after the end of the financial year 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. Non-controlling interests

Non-controlling interests, beginning of year	-20	0	0	0
Net profit/loss for the year (distribution of net profit)	31	-20	0	0
Total	11	-20	0	0

18. Deferred tax

Deferred tax as at 01.01.22	20,110	16,153	0	-72
Deferred tax recognised in the income statement	-14,331	3,947	0	-214
Deferred tax as at 31.12.22	5,779	20,100	0	-286
Deferred tax is recognized in the balance sheet as:				
Deferred tax asset	-215	0	0	0
Provisions for deferred tax	5,718	0	0	0
Total	5,503	0	0	0

As at 31.12.22, the company has recognised a deferred tax asset of DKK 215k, which can primarily 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.

19. Long-term payables

Figures in DKK '000	Repayment first year	Outstanding debt after 5 years	Total payables at 31.12.22	Total payables at 31.12.21
Group:				
Lease commitments	768	0	1,588	2,941
Other payables	0	646	2,150	2,180
Total	768	646	3,738	5,121

20. Contingent liabilities

Group:

Lease commitments

The group has concluded lease agreements with terms to maturity of 19 months and average lease payments of DKK 82k, a total af DKK 1,558k.

Other contingent liabilities

There is a dispute on whether the photovoltaic park build by the Group has been completed timely according to the contract. The case has been settled and it is the managements expectation that the park will be completed in first half of 2023. Management expects that the dispute will be settled out of court with no major economic consequences for the company.

Parent:

Recourse guarantee commitments

The company has provided a resignation declaration for associates' debt to credit institutions. The declaration is unlimited.

The company has given a joint guarantee to the parent company and to associates.

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.

21. Charges and security

Group:

Receivables and work in progress have been secured against trade payables to Group companies.

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

A declaration of liability has been entered with ENI Project ApS regarding the provision of security for all debts that ENI Projects ApS may be and in the future will be liable for as long as the declaration of liability is maintained.

As security for ENI Projects ApS´s debt and ability to pay, a pledge har also been given in EPC contracts regarding projects in Solar Park Tinglev ApS, CVR.no. 43468715 and Vamdrup Energiipark ApS, CVR.no. 42395854.

22. 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.

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.

23. Adjustments for the cash flow statement

	Group 2022 DKK '000	Group 2021 DKK '000
Depreciation and impairments losses of property, plant and equipment	1,939	2,399
Other operating expenses	119	0
Income from equity investments in associates	353	3,671
Financial income	-751	-266
Financial expenses	1,523	1,928
Tax on profit or loss for the year	2,743	653
Total	5,926	8,385

24. 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

24. 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.

24. 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.

24. 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.

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.

24. Accounting policies - continued -

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.

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.

24. Accounting policies - continued -

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.

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

24. Accounting policies - continued -

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.

The acquisition of equity investments in associates is recognised in accordance with the acquisition method, according to which the identifiable assets and liabilities of acquired equity investments are measured at fair value at the date of acquisition.

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.

24. Accounting policies - continued -

On the acquisition of associates, 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 equity investments in associates. For negative goodwill (negative difference), a reassessment is made of the fair values determined for the proportionate share of the net assets acquired and the purchase price of the equity investments. Negative goodwill that is attributable to contingent liabilities at the date of acquisition is recognised under equity investments in associates and reduced in line with the realisation of these liabilities. Any remaining negative difference (negative goodwill) is recognised in the income statement at the date of acquisition. Goodwill and negative goodwill from acquired enterprises are adjusted until 12 months after the date of acquisition.

Goodwill recognised under equity investments is amortised according to the straight-line method based on an individual assessment of the useful life of the asset. The useful life of goodwill has been determined at 5 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.

24. Accounting policies - continued -

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.

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.

24. Accounting policies - continued -

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 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 ApS 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.

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.

24. Accounting policies - continued -

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

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.