

ENI Project ApS

Vinkelvej 12, 6600 Vejen
CVR no. 41 15 48 29

Annual report for 2021

Årsrapporten er godkendt på den
ordinære generalforsamling, d. 29.06.22

Poul Søndermark Svendsen
Dirigent



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The company

ENI Project ApS
Vinkelvej 12
6600 Vejen
Registered office: Vejen kommune
CVR no.: 41 15 48 29
Financial year: 01.01 - 31.12

Executive Board

Poul Søndermark Svendsen
Niels Frederiksen

Auditors

Beierholm
Statsautoriseret Revisionspartnerselskab

Statement by the Executive Board on the annual report

We have on this day presented the annual report for the financial year 01.01.21 - 31.12.21 for ENI Project ApS.

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

In our opinion, the financial statements give a true and fair view of the company's assets, liabilities and financial position as at 31.12.21 and of the results of the company's activities for the financial year 01.01.21 - 31.12.21.

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 29, 2022

Executive Board

Poul Søndermark Svendsen

Niels Frederiksen

To the capital owners of ENI Project ApS**AUDITORS'S REPORT ON THE FINANCIAL STATEMENTS****Opinion**

We have audited the financial statements of ENI Project ApS for the financial year 01.01.21 - 31.12.21, 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. The financial statements are prepared in accordance with the Danish Financial Statements Act (Årsregnskabsloven).

In our opinion the financial statements give a true and fair view of the company's assets, liabilities and financial position at 31.12.21 and of the results of the company's operations for the financial year 01.01.21 - 31.12.21 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 financial statements" section of our report. We are independent of 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 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 financial statements, our responsibility is to read management's review and, in doing so, consider whether management's review is materially inconsistent with the 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 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 financial statements

The Management is responsible for the preparation of 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing 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 financial statements unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 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 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 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 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 company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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.

VIOLATION OF VAT LEGISLATION

Contrary to the Danish Value Added Tax Act (*Momsloven*), incorrect VAT returns have been submitted to Skattestyrelsen, and the management may therefore incur liability.

Aarhus, June 29, 2022

Beierholm

Statsautoriseret Revisionspartnerselskab
CVR no. 32 89 54 68

Casper Jensby
State Authorized Public Accountant
MNE-no. mne36181

FINANCIAL HIGHLIGHTS**Key figures**

Figures in DKK '000	2021	10.02.20 31.12.20
<i>Profit/loss</i>		
Operating profit/loss	-36,483	55,050
Index	-66	100
Total net financials	1,610	218
Profit/loss for the year	-27,203	43,110
<i>Balance</i>		
Total assets	60,435	96,722
Investments in property, plant and equipment	834	4,631
Equity	15,948	43,150

Ratios

	10.02.20	2021	31.12.20
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Profitability

Return on equity	-92%	100%
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Equity ratio

Solvency ratio	26%	45%
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Liquidity and financing

Liquidity ratio	132%	208%
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Ratios definitions

Return on equity:	$\frac{\text{Profit/loss for the year} \times 100}{\text{Average equity}}$
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Solvency ratio:	$\frac{\text{Equity, end of year} \times 100}{\text{Total assets}}$
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Liquidity ratio:	$\frac{\text{Current assets} \times 100}{\text{Short-term payables}}$
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Primary activities

The company's activities consist in operating as a turnkey contractor and in selling solar cells.

Exceptional conditions

The annual report for 2021 shows a significant loss due to quality problems on delivered components and delays due to supply problems.

Please refer to note 1 for further explanation.

Development in activities and financial affairs

The income statement for the period 01.01.21 - 31.12.21 shows a profit/loss of DKK -27,202,799 against DKK 43,110,436 for the period 10.02.20 - 31.12.20. The balance sheet shows equity of DKK 15,947,637.

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

The earnings expectations for 2021 were a net profit of DKK 22 mio. The objective was not met primarily due to major quality and delivery problems with components from China.

Outlook

The company expects a profit before tax in the region of DKK 5.000 - 10.000k for the coming year

Subsequent events

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

Income statement

		10.02.20
	2021	31.12.20
Note	DKK	DKK
Gross result	-35,318,357	55,414,917
Depreciation and impairments losses of property, plant and equipment	-1,164,244	-364,832
Operating profit/loss	-36,482,601	55,050,085
2 Financial income	1,952,022	529,344
3 Financial expenses	-342,220	-311,093
Profit/loss before tax	-34,872,799	55,268,336
Tax on profit or loss for the year	7,670,000	-12,157,900
Profit/loss for the year	-27,202,799	43,110,436

4 Proposed appropriation account

ASSETS		31.12.21	31.12.20
		DKK	DKK
Note			
	Plant and machinery	3,179,061	3,509,752
	Property, plant and equipment under construction	0	756,053
5	Total property, plant and equipment	3,179,061	4,265,805
	Total non-current assets	3,179,061	4,265,805
	Raw materials and consumables	0	195,558
	Total inventories	0	195,558
6	Work in progress for third parties	24,834,120	22,237,743
	Trade receivables	1,915,995	14,160,634
	Receivables from group enterprises	22,960,143	44,963,894
	Other receivables	6,819,079	4,060,877
	Total receivables	56,529,337	85,423,148
	Cash	726,646	6,837,463
	Total current assets	57,255,983	92,456,169
	Total assets	60,435,044	96,721,974

EQUITY AND LIABILITIES		31.12.21	31.12.20
		DKK	DKK
Note			
	Share capital	40,000	40,000
	Retained earnings	15,907,637	43,110,436
	Total equity	15,947,637	43,150,436
7	Provisions for deferred tax	630,000	8,300,000
	Total provisions	630,000	8,300,000
8	Lease commitments	432,437	829,422
	Total long-term payables	432,437	829,422
8	Short-term part of long-term payables	397,732	395,007
	Trade payables	15,154,465	22,477,597
	Payables to group enterprises	26,086,152	1,232,839
	Income taxes	0	3,857,900
	Other payables	1,786,621	16,478,773
	Total short-term payables	43,424,970	44,442,116
	Total payables	43,857,407	45,271,538
	Total equity and liabilities	60,435,044	96,721,974

9 Contingent liabilities

10 Related parties

Statement of changes in equity

Figures in DKK	Share capital	Retained earnings	Total equity
Statement of changes in equity for 10.02.20 - 31.12.20			
Capital contributed on establishment	40,000	0	40,000
Net profit/loss for the year	0	43,110,436	43,110,436
Balance as at 31.12.20	40,000	43,110,436	43,150,436
Statement of changes in equity for 01.01.21 - 31.12.21			
Balance as at 01.01.21	40,000	43,110,436	43,150,436
Net profit/loss for the year	0	-27,202,799	-27,202,799
Balance as at 31.12.21	40,000	15,907,637	15,947,637

1. Exceptional conditions

During 2020 and 2021 the Company has build a solar park. It was the expectation that the solar park was finished in the beginning of 2021.

Due to quality problems on components from subcontractors a major part of the construction on the solar park has to be rebuild which has resulted in a significant amount of extra work. Furthermore the completion of the solar park was been delayed due to supply problems from subcontractor.

The circumstances have resulted in an unexpected and significant loss in 2021.

There is a dispute on whether the solar park build by company has been completed timely according to the contract. Management expects that the dispute will be settled out of court with no major economic consequences for the company.

Management expects that the solar park will be completed during 2022 without further unexpected costs.

	2021	10.02.20
	DKK	31.12.20
		DKK

2. Financial income

Interest, group enterprises	1,790,209	511,327
Other interest income	161,813	18,017
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Total	1,952,022	529,344

3. Financial expenses

Interest, group enterprises	2,761	0
Other interest expenses	227,704	183,318
Foreign exchange losses	111,755	127,030
Other financial expenses	0	745
<hr/>		
Total	342,220	311,093

4. Proposed appropriation account

Retained earnings	-27,202,799	43,110,436
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Total	-27,202,799	43,110,436

5. Property, plant and equipment

Figures in DKK	Plant and machinery	Property, plant and equipment under construction
Cost as at 01.01.21	3,874,584	0
Additions during the year	77,500	756,053
Transfers during the year to/from other items	756,053	-756,053
Cost as at 31.12.21	4,708,137	0
Depreciation and impairment losses as at 01.01.21	-364,832	0
Depreciation during the year	-1,164,244	0
Depreciation and impairment losses as at 31.12.21	-1,529,076	0
Carrying amount as at 31.12.21	3,179,061	0
Carrying amount of assets held under finance leases as at 31.12.21	963,333	0

31.12.21	31.12.20
DKK	DKK

6. Work in progress for third parties

Work in progress for third parties	79,395,830	45,000,205
On-account invoicing	-54,561,710	-22,762,462
Total work in progress for third parties	24,834,120	22,237,743
Work in progress for third parties	24,834,120	22,237,743

	31.12.21 DKK	31.12.20 DKK
7. Deferred tax		
Deferred tax as at 01.01.21	8,300,000	0
Deferred tax recognised in the income statement	-7,670,000	8,300,000
Deferred tax as at 31.12.21	630,000	8,300,000

8. Long-term payables

Figures in DKK	Repayment first year	Outstanding debt after 5 years	Total payables at 31.12.21	Total payables at 31.12.20
Lease commitments	397,732	0	830,169	1,224,429
Total	397,732	0	830,169	1,224,429

9. Contingent liabilities*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 liability also includes any subsequent corrections to the calculated tax liability as a consequence of changes made to the jointly taxable income etc.

There is a dispute on whether the solar park build by company has been completed timely according to the contract. Management expects that the dispute will be settled out of court with no major economic consequences for the company.

10. Related parties

Controlling influence

Basis of influence

Energi Innovation Holding ApS, Vejen kommune

Parent company

Poss Holding ApS, Vejen kommune

Ultimate parent company

The company is included in the consolidated financial statements of the parents Energi Innovation Holding ApS, Vejen kommune og Poss Holding ApS, Vejen kommune. The parent's consolidated financial statements can be obtained on the website www.CVR.DK.

11. Accounting policies

GENERAL

The annual report is presented in accordance with the provisions of the Danish Financial Statements Act (*Årsregnskabsloven*) for medium-sized enterprises in reporting class C with application of provisions for a higher reporting class.

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.

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.

11. 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.

INCOME STATEMENT**Gross result**

Gross result comprises revenue and raw materials and consumables and other external expenses.

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).

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.

11. Accounting policies - continued -**Other external expenses**

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

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 life, year	Residual value, per cent
Plant and machinery	3-5	0-10

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 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.

11. Accounting policies - continued -

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**Property, plant and equipment**

Property, plant and equipment comprise plant and machinery.

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

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

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

Property, plant and equipment under construction

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

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

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

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.

11. Accounting policies - continued -

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

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

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

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

Inventories

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

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

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

Receivables

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

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

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

11. Accounting policies - continued -

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.

Cash

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

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 or elimination in tax on future earnings.

Deferred tax is measured on the basis of the tax rules and at the tax rates 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.

11. Accounting policies - continued -**Payables**

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

CASH FLOW STATEMENT

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