BEIERHOLM
VI SKABER BALANCE

Energi Innovation ApS

Vinkelvej 12, 6600 Vejen

CVR no. 30 08 08 74

Annual report for 2022

Årsrapporten er godkendt på den
ordinære generalforsamling, d. 08.05.23

Poul Søndermark Svendsen
Dirigent

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Company information etc.

The company

Energi Innovation ApS
Vinkelvej 12
6600 Vejen

Registered office: Vejen kommune
CVR no.: 30 08 08 74
Financial year: 01.01 - 31.12

Executive Board

Niels Frederiksen
Poul Søndermark Svendsen

Auditors

Beierholm
Statsautoriseret Revisionspartnerselskab

Parent company

Poss Holding ApS, Vejen kommune

Company information etc.

Subsidiaries

ENI PT 01 ApS, Vejen kommune
ENI PT 02 ApS, Vejen kommune
ENI PT 03 ApS, Vejen kommune
ETOS-Solar Systems ApS, Vejen kommune
Energi Innovation APSW Iberia Uni Lda., Portugal
ENI O&M ApS, Vejen kommune
EI-Project ApS, Vejen kommune
ENI Asia Trading ApS, Vejen kommune
ENI Asia Trading Ltd., Hongkong
ENI Construction ApS, Vejen kommune
ENIPT CONSTRUCTION, UNIPESSOAL LDA, Portugal

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 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 31.12.22 and of the results of the company's activities 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

Niels Frederiksen	Poul Søndermark Svendsen

Independent auditor's report

To the capital owners of Energi Innovation ApS

Opinion

We have audited the financial statements of Energi Innovation 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. 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 31.12.22 and of the results of the company's operations 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 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.

Haderslev, May 8, 2023

Beierholm
Statsautoriseret Revisionspartnerselskab
CVR no. 32 89 54 68

Rasmus Ørskov
State Authorized Public Accountant
MNE-no. mne42777

Primary activities

The company's activities consist 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 126,306,817 against DKK 29,929,887 for the period 01.01.21 - 31.12.21. The balance sheet shows equity of DKK 178,056,045.

During the financial year, the company has sold a subsidiary with a significant profit.

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

Subsequent events

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

Branches abroad

The company has a branch in Portugal by the name of:
- Energi Innovation ApS - Sucursal Em Portugal

Income statement

Note		2022 DKK	2021 DKK
	Gross profit	**41,668,487**	**50,794,842**
2	Staff costs	-15,412,931	-12,496,935
	Profit before depreciation, amortisation, write-downs and impairment losses	**26,255,556**	**38,297,907**
	Depreciation and impairments losses of property, plant and equipment	-691,568	-1,165,751
	Operating profit	**25,563,988**	**37,132,156**
3	Income from equity investments in group enterprises	107,316,820	1,744,202
4	Financial income	1,208,612	2,184,916
5	Financial expenses	-2,000,502	-2,837,450
	Profit before tax	**132,088,918**	**38,223,824**
	Tax on profit for the year	-5,782,101	-8,293,937
	Profit for the year	**126,306,817**	**29,929,887**

Proposed appropriation account

Reserve for net revaluation according to the equity method	-1,200,056	1,744,199
Proposed dividend for the financial year	108,516,876	0
Retained earnings	18,989,997	28,185,688
Total	**126,306,817**	**29,929,887**

Balance sheet

ASSETS

Note		31.12.22 DKK	31.12.21 DKK
	Leasehold improvements	107,159	0
	Other fixtures and fittings, tools and equipment	3,012,335	2,300,660
6	**Total property, plant and equipment**	**3,119,494**	**2,300,660**
7	Equity investments in group enterprises	3,552,414	4,732,497
8	Deposits	86,250	41,246
	Total investments	**3,638,664**	**4,773,743**
	Total non-current assets	**6,758,158**	**7,074,403**
	Manufactured goods and goods for resale	72,700,115	0
	Total inventories	**72,700,115**	**0**
9	Work in progress for third parties	0	18,183,890
	Trade receivables	694,895	115,057
	Receivables from group enterprises	97,784,191	61,144,500
	Income tax receivable	0	309,601
	Other receivables	93,240,632	65,477,275
	Receivables from owners and management	0	6,380
	Prepayments	294,332	0
10	**Total receivables**	**192,014,050**	**145,236,703**
	Cash	**737,090**	**19,279,221**
	Total current assets	**265,451,255**	**164,515,924**
	Total assets	**272,209,413**	**171,590,327**

Balance sheet

EQUITY AND LIABILITIES

Note		31.12.22 DKK	31.12.21 DKK
	Share capital	500,000	500,000
	Reserve for net revaluation according to the equity method	3,173,256	4,341,317
	Retained earnings	65,865,913	46,925,916
	Proposed dividend for the financial year	108,516,876	0
	Total equity	**178,056,045**	**51,767,233**
	Provisions for deferred tax	169,777	20,229,666
11	Other provisions	58,752	0
	Total provisions	**228,529**	**20,229,666**
12	Lease commitments	820,554	1,497,775
12	Other payables	704,614	1,288,762
	Total long-term payables	**1,525,168**	**2,786,537**
12	Short-term part of long-term payables	331,176	613,199
	Payables to other credit institutions	23,335	35,056,609
9	Prepayments received from work in progress for third parties	0	24,212,500
	Trade payables	49,547,217	7,023,198
	Payables to group enterprises	6,945,420	29,315,156
	Income taxes	25,837,158	0
	Other payables	9,715,365	586,229
	Total short-term payables	**92,399,671**	**96,806,891**
	Total payables	**93,924,839**	**99,593,428**
	Total equity and liabilities	**272,209,413**	**171,590,327**

13 Contingent liabilities
14 Charges and security
15 Related parties

Statement of changes in equity

Figures in DKK	Share capital	Reserve for net revaluation according to the equity method	Retained earnings	Proposed dividend for the financial year	Total equity
Statement of changes in equity for 01.01.22 - 31.12.22					
Balance as at 01.01.22	500,000	4,341,317	46,925,916	0	51,767,233
Foreign currency translation adjustment of foreign enterprises	0	-18,005	0	0	-18,005
Other changes in equity	0	50,000	-50,000	0	0
Net profit/loss for the year	0	-1,200,056	18,989,997	108,516,876	126,306,817
Balance as at 31.12.22	500,000	3,173,256	65,865,913	108,516,876	178,056,045

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:	2022 DKK	2021 DKK
Gain on the divestment of group enterprises	Income from equity investments in group enterprises	108,516,876	0
Total		108,516,876	0

2. Staff costs

	2022	2021
Wages and salaries	13,058,289	10,674,274
Pensions	1,646,704	1,486,695
Other social security costs	63,050	68,352
Other staff costs	644,888	267,614
Total	15,412,931	12,496,935
Average number of employees during the year	19	20

3. Income from equity investments in group enterprises

	2022	2021
Share of profit or loss of group enterprises	-1,200,056	1,744,202
Gain on the divestment of group enterprises	108,516,876	0
Total	107,316,820	1,744,202

	2022 DKK	2021 DKK

4. Financial income

	2022 DKK	2021 DKK
Interest, group enterprises	1,204,649	2,112,782
Other financial income	3,963	72,134
Total	1,208,612	2,184,916

5. Financial expenses

	2022 DKK	2021 DKK
Interest, group enterprises	1,178,489	1,700,655
Other financial expenses total	822,013	1,136,795
Total	2,000,502	2,837,450

6. Property, plant and equipment

Figures in DKK	Leasehold improvements	Other fixtures and fittings, tools and equipment
Cost as at 01.01.22	0	5,289,059
Additions during the year	160,739	1,349,664
Cost as at 31.12.22	160,739	6,638,723
Depreciation and impairment losses as at 01.01.22	0	-2,988,400
Depreciation during the year	-53,580	-637,988
Depreciation and impairment losses as at 31.12.22	-53,580	-3,626,388
Carrying amount as at 31.12.22	107,159	3,012,335
Carrying amount of assets held under finance leases as at 31.12.22	0	1,635,094

7. Equity investments in group enterprises

Figures in DKK	Equity investments in group enterprises
Cost as at 01.01.22	370,406
Disposals during the year	-50,000
Cost as at 31.12.22	320,406
Revaluations as at 01.01.22	4,341,317
Foreign currency translation adjustment of foreign enterprises	-18,005
Reversal of revaluations of disposed assets	50,000
Net profit/loss from equity investments	-1,200,056
Revaluations as at 31.12.22	3,173,256
Negative equity value transferred to provisions	58,752
Depreciation and impairment losses as at 31.12.22	58,752
Carrying amount as at 31.12.22	3,552,414

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%

8. Other non-current financial assets

Figures in DKK	Deposits
Cost as at 01.01.22	41,246
Additions during the year	86,250
Disposals during the year	-41,246
Cost as at 31.12.22	86,250
Carrying amount as at 31.12.22	86,250

	31.12.22 DKK	31.12.21 DKK
9. Work in progress for third parties		
Work in progress for third parties	0	432,865,792
On-account invoicing	0	-438,894,402
Total work in progress for third parties	0	-6,028,610
Work in progress for third parties is recognized in the balance sheet as:		
Work in progress for third parties	0	18,183,890
Prepayments received from work in progress for third parties, short-term payables	0	-24,212,500
Total	0	-6,028,610

	31.12.22 DKK	31.12.21 DKK

10. Receivables

Receivables which fall due for payment more than 1 year after the end of the financial year	18,150,940	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.

11. Other provisions

Other provisions are expected to be distributed as follows:

Non-current liabilities	58,752	0
Total	58,752	0

12. Long-term payables

Figures in DKK	Repayment first year	Outstanding debt after 5 years	Total payables at 31.12.22	Total payables at 31.12.21
Lease commitments	331,176	0	1,151,730	2,110,974
Other payables	0	646,492	704,614	1,288,762
Total	331,176	646,492	1,856,344	3,399,736

13. Contingent liabilities

Lease commitments

The company 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

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

14. Charges and security

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 photovoltaic park Tinglev ApS, CVR.no. 43468715 and Vamdrup Energipark ApS, CVR.no. 42395854.

15. Related parties

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

16. Accounting policies

GENERAL

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

The accounting policies have been applied consistently with previous years.

In accordance with section 112 of the Danish Financial Statements Act, the company has not prepared consolidated financial statements. The company is a subsidiary of Energi Innovation Holding ApS, Vejen kommune, CVR no. 41 15 35 20, which prepares consolidated financial statements.

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

16. Accounting policies - continued -

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.

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

Gross profit

Gross profit comprises revenue, other operating income and raw materials and consumables

16. Accounting policies - continued -

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 the sale of services is recognised in the income statement as delivery takes place (delivery method). Revenue is measured at the selling value of the agreed consideration exclusive of VAT and other taxes collected on behalf of third parties and less discounts.
Income from construction contracts involving the delivery of highly customised assets are recognised in the income statement as revenue according to the stage of completion. Accordingly, revenue corresponds to the selling price of work performed during the year (percentage of completion method).

Other operating income

Other operating income comprises income of a secondary nature in relation to the enterprise's activities, including rental income etc.

Costs of raw materials and consumables

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

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

Other external expenses

Other external expenses comprise 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.

16. Accounting policies - continued -

Depreciation and impairment losses

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

	Useful lives, years	Residual value, per cent
Leasehold improvements	3	
Other plant, fixtures and fittings, tools and equipment	3 - 5	0 - 20

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.

Income from equity investments in group entreprises

For equity investments in equity investments in subsidiaries, 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.

Income from equity investments in equity investments in subsidiaries 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.

16. Accounting policies - continued -

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

Property, plant and equipment

Property, plant and equipment comprise leasehold improvements 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.

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.

16. Accounting policies - continued -

Equity investments in group entreprises

Equity investments in subsidiaries are recognised and measured according to the equity method. For equity investments in subsidiaries, the equity method is considered a measurement 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.

Under 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 company has a legal or constructive obligation to cover the liabilities of the enterprise in question.

For equity investments measured according to the equity method, the proportionate share of the equity investments' equity value is determined according to the accounting policies of the parent, stated in the other sections. Equity value is also based on the following accounting policies:

Intangible assets

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

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

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

16. Accounting policies - continued -

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

Impairment losses on fixed assets

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

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

If there are indications of impairment, an impairment test is conducted of individual assets or groups of assets.
The assets or groups of assets are impaired to the lower of recoverable amount and carrying amount.

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

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

Inventories

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

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

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

16. Accounting policies - continued -

Receivables

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

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

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

Work in progress for third parties

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

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

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

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

Prepayments

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

Cash

Cash includes deposits in bank account.

16. Accounting policies - continued -

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 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 ApS are not tied up in the revaluation reserve (simultaneous principle).

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.

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.