

Energi Innovation ApS

Vinkelvej 12, 6600 Vejen
CVR no. 30 08 08 74

Annual report for 2024

Årsrapporten er godkendt på den
ordinære generalforsamling, d. 11.07.25

Poul Søndermark Svendsen
Dirigent

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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
Godkendt Revisionspartnerselskab

Statement by the Executive Board on the annual report

We have on this day presented the annual report for the financial year 01.01.24 - 31.12.24 for Energi Innovation ApS.

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

In our opinion, the financial statements give a true and fair view of the company's assets, liabilities and financial position as at 31.12.24 and of the results of the company's activities for the financial year 01.01.24 - 31.12.24.

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, July 11, 2025

Executive Board

Niels Frederiksen

Poul Søndermark Svendsen

To the capital owners of Energi Innovation ApS**Opinion**

We have audited the financial statements of Energi Innovation ApS for the financial year 01.01.24 - 31.12.24, which comprise income statement, balance sheet, statement of changes in equity and notes to the financial statements, including material accounting policy information. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion the financial statements give a true and fair view of the company's financial position at 31.12.24 and of the results of the company's operations for the financial year 01.01.24 - 31.12.24 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the 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 on the management's review

Management is responsible for the management's review.

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

In connection with our audit of the financial statements, it is our responsibility to read management's review and, in doing so, consider whether management's review is materially inconsistent with the 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 by law and regulations.

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

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control as Management determines is necessary to enable the preparation of 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 ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the 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.
- Plan and perform the audit of the financial statements to obtain sufficient appropriate audit evidence regarding the consolidated financial information of the entities or business units as a basis for expressing an opinion on the financial statements. We are responsible for the direction, supervision and review of the audit work performed. 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, July 11, 2025

Beierholm

Godkendt Revisionspartnerselskab
CVR no. 32 89 54 68

Rasmus Ørskov

State Authorised Public Accountant
MNE-no. mne42777

FINANCIAL HIGHLIGHTS**Key figures**

Figures in DKK '000	2024	2023	2022	2021	2020
<i>Profit/loss</i>					
Gross result	-5,802	26,379	41,684	50,795	-32,425
Profit/loss before depreciation, amortisation, write-downs and impairment losses	-26,609	7,874	26,256	38,298	-42,562
Operating profit/loss	-62,542	5,665	25,564	37,132	-43,520
Total net financials	-3,544	-1,402	106,525	1,092	-4,558
Total tax	15,302	-1,191	-5,782	-8,294	9,549
Profit/loss for the year	-50,783	3,073	126,307	29,930	-38,530
<i>Balance</i>					
Total assets	136,608	194,473	272,209	171,590	114,049
Investments in property, plant and equipment	4,256	4,801	1,510	1,763	215
Equity	21,846	72,627	178,056	51,767	21,853
Ratios					
	2024	2023	2022	2021	2020
<i>Profitability</i>					
Return on equity	-108%	2%	110%	81%	-94%
<i>Equity ratio</i>					
Solvency ratio	16%	37%	65%	30%	19%

Others

Number of employees (average)	26	22	19	20	16
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Ratios definitions

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

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

Primary activities

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

Exceptional conditions

A loss related to previous sales has been recognised under other operating expenses, as subsequent events have proven the amount to be unreclaimable. The loss amounts to DKK 33,525k.

Please refer to note 2 and 3.

Development in activities and financial affairs

The income statement for the period 01.01.24 - 31.12.24 shows a profit/loss of DKK -50,783,413 against DKK 3,072,601 for the period 01.01.23 - 31.12.23. The balance sheet shows equity of DKK 21,845,707.

The result for the year has been mainly affected by that planned projects has been postponed and the company has prepared the organisation the these projects. Please refer to "Exceptional conditions" above.

The management considers the net profit for the year to be unsatisfactory and not as expected for the year.

The earnings expectations for 2024 were a net profit of DKK 5-7m. The objective was not met mainly due to less executed projects than expected.

The interest level has first in the late part of 2024 been stabilized compared the decrease of electricity prices and that has postponed many investment decision by investors in Photovoltaic parks and due to this projects has been postponed.

It is still the managements expectations that many of the postponed projects will be carried out later when the interest level is lowered compared with a stabilizing of the electricity prices. The company has been awarded a new project to be signed in 2nd half of 2025.

Information on going concern

Despite significant operational losses incurred in 2024, Management assesses that the Company remains a going concern. The deferral of projects was mainly driven by fluctuations in the interest rate and electricity markets, which led investors to delay their commitments.

At the time of financial statement issuance, the Company's liquidity position has improved due to final payments received from previously completed projects. Furthermore, new project agreements have been signed in 2025, and Management expects a high level of activity from the second half of 2025 onwards, accompanied by positive financial results and substantially improved cash flows.

In light of these developments, Management maintains a positive outlook for the coming years, and therefore confirms that the financial statements have been prepared on a going concern basis.

Outlook

The company expects a profit before tax in the region of DKK 15-20m for the coming year as a result of profit from finalized projects in 2024. It is the managements expectation that postponed project will be executed in period of 2025 – 2026.

Financial risks

Price risks

The company is exposed to normal commodity price risks, changes in duties, mainly on silicon, steel, aluminum and copper that is raw materials in the constructions, and it is the aim for the Group to pass on price flotations on the main components to the customers. The company is not hedging risk on raw materials, interests or exchange rate risks.

Foreign currency risks

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

Credit risks

The company's 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.

Liquidity risks

The company's cash management is vital in the ongoing business. The company has an aim to have cash flow positive projects to avoid risks so the company is able to pay its financial liabilities in due time.

The company's policy in relation to borrowing is to ensure flexibility with leasing agreements, cash pools credit facilities, suppliers credit lines and surety bond solutions so the company's cash is optimized.

Management believes that the company has sufficient cash resources to meet its obligations

as they fall due.

Subsequent events

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

Branches abroad

The company has a branch in Portugal with no significant activity. It is the expectation that the branch will be closed during 2025.

Income statement

Note		2024 DKK	2023 DKK
	Gross result	-5,802,071	26,379,050
4	Staff costs	-20,807,258	-18,504,887
	Profit/loss before depreciation, amortisation, write-downs and impairment losses	-26,609,329	7,874,163
	Depreciation and impairments losses of property, plant and equipment	-2,407,438	-2,208,728
	Other operating expenses	-33,525,000	0
	Operating profit/loss	-62,541,767	5,665,435
5	Income from equity investments in group enterprises	-285,615	830,516
6	Financial income	1,882,342	2,382,598
7	Financial expenses	-5,140,369	-4,614,956
	Profit/loss before tax	-66,085,409	4,263,593
	Tax on profit or loss for the year	15,301,996	-1,190,992
	Profit/loss for the year	-50,783,413	3,072,601
8	Proposed appropriation account		

ASSETS		31.12.24	31.12.23
		DKK	DKK
Note			
	Leasehold improvements	792,424	53,579
	Other fixtures and fittings, tools and equipment	6,752,803	5,642,765
9	Total property, plant and equipment	7,545,227	5,696,344
10	Equity investments in group enterprises	2,949,708	2,884,078
10	Other investments	1,000	1,000
11	Deposits	86,250	86,250
	Total investments	3,036,958	2,971,328
	Total non-current assets	10,582,185	8,667,672
	Manufactured goods and goods for resale	997,854	600,000
	Prepayments for goods	221,050	0
	Total inventories	1,218,904	600,000
12	Work in progress for third parties	149,017	650,370
	Trade receivables	178,610	3,545,346
	Receivables from group enterprises	0	77,147,372
	Receivables from associates	32,827,948	23,861,702
15	Deferred tax asset	13,543,586	0
	Income tax receivable	1,689,877	0
	Other receivables	72,472,081	79,696,519
13	Prepayments	734,762	130,803
	Total receivables	121,595,881	185,032,112
14	Cash	3,211,474	172,993
	Total current assets	126,026,259	185,805,105
	Total assets	136,608,444	194,472,777

		31.12.24	31.12.23
		DKK	DKK
EQUITY AND LIABILITIES			
Note			
	Share capital	500,000	500,000
	Reserve for net revaluation according to the equity method	2,209,308	2,350,738
	Retained earnings	19,136,399	69,775,890
	Total equity	21,845,707	72,626,628
15	Provisions for deferred tax	0	68,533
	Total provisions	0	68,533
16	Payables to other credit institutions	0	455,215
16	Lease commitments	3,522,539	2,176,701
16	Other payables	702,337	682,318
	Total long-term payables	4,224,876	3,314,234
16	Short-term part of long-term payables	2,066,239	923,030
	Payables to other credit institutions	6,551,049	339,535
12	Prepayments received from work in progress for third parties	620,259	3,193,119
	Trade payables	1,673,060	2,179,809
	Payables to group enterprises	98,838,013	109,530,119
	Income taxes	0	1,287,154
	Other payables	789,241	1,010,616
	Total short-term payables	110,537,861	118,463,382
	Total payables	114,762,737	121,777,616
	Total equity and liabilities	136,608,444	194,472,777
17	Fair value information		
18	Contingent liabilities		
19	Charges and security		
20	Related parties		

Statement of changes in equity

Figures in DKK	Share capital	Reserve for net revaluation according to the equity method	Retained earnings	Total equity
Statement of changes in equity for 01.01.24 - 31.12.24				
Balance as at 01.01.24	500,000	2,350,738	69,775,890	72,626,628
Foreign currency translation adjustment of foreign enterprises	0	2,492	0	2,492
Net profit/loss for the year	0	-143,922	-50,639,491	-50,783,413
Balance as at 31.12.24	500,000	2,209,308	19,136,399	21,845,707

1. Information as regards going concern

Despite significant operational losses incurred in 2024, Management assesses that the Company remains a going concern. The deferral of projects was mainly driven by fluctuations in the interest rate and electricity markets, which led investors to delay their commitments.

At the time of financial statement issuance, the Company's liquidity position has improved due to final payments received from previously completed projects. Furthermore, new project agreements have been signed in 2025, and Management expects a high level of activity from the second half of 2025 onwards, accompanied by positive financial results and substantially improved cash flows.

In light of these developments, Management maintains a positive outlook for the coming years, and therefore confirms that the financial statements have been prepared on a going concern basis.

2. Exceptional conditions

A loss related to previous sales has been recognised under other operating expenses, as subsequent events have proven the amount to be unreclaimable. The loss amounts to DKK 33,525k.

Please refer to note 3.

3. 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:	2024 DKK	2023 DKK
Settlement	Other operating expenses	-33,525,000	0

	2024	2023
	DKK	DKK

4. Staff costs

Wages and salaries	17,073,631	15,857,608
Pensions	2,561,767	2,011,455
Other social security costs	91,752	81,132
Other staff costs	1,080,108	554,692
Total	20,807,258	18,504,887

Average number of employees during the year	26	22
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Remuneration for the management:

Salaries for the Executive Board	3,937,194	3,584,667
Pension for the Executive Board	268,160	257,728
Total remuneration for the Executive Board	4,205,354	3,842,395

5. Income from equity investments in group enterprises

Share of profit or loss of group enterprises	-285,615	830,516
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6. Financial income

Interest, group enterprises	531,236	1,354,600
Other financial income	1,351,106	1,027,998
Total	1,882,342	2,382,598

	2024	2023
	DKK	DKK

7. Financial expenses

Interest, group enterprises	4,340,501	2,293,873
Other financial expenses	799,868	2,321,083
Total	5,140,369	4,614,956

8. Proposed appropriation account

Reserve for net revaluation according to the equity method	-143,922	827,512
Retained earnings	-50,639,491	2,245,089
Total	-50,783,413	3,072,601

9. Property, plant and equipment

Figures in DKK	Leasehold improvements	Other fixtures and fittings, tools and equipment
Cost as at 01.01.24	160,739	11,419,301
Additions during the year	792,425	3,463,896
Cost as at 31.12.24	953,164	14,883,197
Depreciation and impairment losses as at 01.01.24	-107,160	-5,776,536
Depreciation during the year	-53,580	-2,353,858
Depreciation and impairment losses as at 31.12.24	-160,740	-8,130,394
Carrying amount as at 31.12.24	792,424	6,752,803
Carrying amount of assets held under finance leases as at 31.12.24	0	5,405,016

10. Investments

Figures in DKK	Equity invest- ments in group enterprises	Other invest- ments
Cost as at 01.01.24	533,340	1,000
Additions during the year	460,000	0
Disposals during the year	-252,941	0
Cost as at 31.12.24	740,399	1,000
Revaluations as at 01.01.24	2,350,738	0
Foreign currency translation adjustment of foreign enterprises	2,492	0
Reversal of revaluations of disposed assets	140,449	0
Net profit/loss from equity investments	-284,370	0
Revaluations as at 31.12.24	2,209,309	0
Carrying amount as at 31.12.24	2,949,708	1,000
Name and registered office:		Ownership interest
Subsidiaries:		
ENI PT 02 ApS, Vejen		100%
ENI PT 03 ApS, Vejen		100%
ETOS-Solar Systems ApS, Vejen		51%
Energi Innovation APSW Iberia Uni Lda., Portugal		100%
ENI Asia Trading ApS (Closed in 2024), Vejen		100%
ENI Asia Trading Ltd. (Closed in 2024), Hongkong		100%

11. Other non-current financial assets

Figures in DKK	Deposits
Cost as at 01.01.24	86,250
Cost as at 31.12.24	86,250
Carrying amount as at 31.12.24	86,250

	31.12.24 DKK	31.12.23 DKK
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12. Work in progress for third parties

Work in progress for third parties	10,912,689	650,370
On-account invoicing	-11,383,931	-3,193,119
Total work in progress for third parties	-471,242	-2,542,749
Work in progress for third parties	149,017	650,370
Prepayments received from work in progress for third parties, short-term payables	-620,259	-3,193,119
Total	-471,242	-2,542,749

13. Prepayments

Other prepayments	734,762	130,803
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14. Cash

Cash includes bank deposits of DKK 3,058k, which have been pledged as security for a framework guarantee to third parties. The amount can be paid only when the guarantee terminate.

	31.12.24	31.12.23
	DKK	DKK

15. Deferred tax

Provisions for deferred tax as at 01.01.24	-68,533	-169,777
Deferred tax recognised in the income statement	13,612,119	101,244
Provisions for deferred tax as at 31.12.24	13,543,586	-68,533

Deferred tax is distributed as below:

Property, plant and equipment	53,251	-707,495
Receivables	-679,291	0
Liabilities	0	638,962
Tax losses	14,169,626	0
Total	13,543,586	-68,533

As at 31.12.24, the company has recognised a deferred tax asset of DKK14,170 k, which can primarily be attributed to tax losses carried forward. The deferred tax asset is recognised on the basis of expectations of positive operating results for the coming years.

16. Long-term payables

Figures in DKK	Repayment first year	Outstanding debt after 5 years	Total payables at 31.12.24	Total payables at 31.12.23
Payables to credit institutions	474,409	0	474,409	589,215
Lease commitments	1,591,830	0	5,114,369	2,904,388
Other payables	0	702,337	702,337	743,661
Total	2,066,239	702,337	6,291,115	4,237,264

17. Fair value information

Figures in DKK	Other investments
Fair value as at 31.12.24	1,000
Unrealised changes of fair value recognised in the income statement for the year	0
Unrealised changes of fair value recognised in equity for the year	0

18. Contingent liabilities*Lease commitments*

The company has concluded rental lease agreements with terms to maturity of 6 months and total lease payments of DKK 546k.

Recourse guarantee commitments

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

Guarantee commitments

The company has entered framework guarantees. The total guaranteed frames amounts to DKK 240,000k. As of 31.12.2024, DKK 14,478k of the total frameworks has been used. The company is jointly liable for group companies' utilisation of the guarantees.

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.

19. Charges and security

The company has provided a company charge of DKK 40,000k as security for debt to credit institutions. As at 31.12.24, the company charge comprises the following assets:

- Goodwill
- Motor vehicles
- Other plant, fixtures and fittings, tools and equipment
- Inventories
- Trade receivables

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

As security of bank debt of DKK 474k, security has been provided in a car with a carrying book value of DKK 445k.

The company's receivable from an associated company of DKK 25,085k is a subordinated loan capital which is secondary to other creditors.

20. Related parties

Controlling influence	Basis of influence
Energi Innovation Holding A/S, 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 4. Staff costs.

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

21. 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.

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 A/S, 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 expenses in the income statement. Fixed assets, inventories and other non-monetary assets

21. Accounting policies - continued -

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.

21. Accounting policies - continued -**INCOME STATEMENT****Gross result**

Gross result comprises revenue, other operating income 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 the sale of services is recognised in the income statement in line with completion of services, which means that revenue corresponds to the selling price of the work performed for the year stated on the basis of the stage of completion at the balance sheet date (percentage of completion method).

Other operating income

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

Costs of raw materials and consumables

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

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

Other external expenses

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

21. Accounting policies - continued -**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
Leasehold improvements	3	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 issuance of significant credit note.

Income from equity investments in group enterprises

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

21. Accounting policies - continued -

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**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.

21. Accounting policies - continued -**Equity investments in group enterprises**

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.

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

21. Accounting policies - continued -

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.

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

21. 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.

Prepayments

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

Other investments

Other equity investments are measured at fair value in the balance sheet. For equity investments that are traded in an active market, fair value is equivalent to the market value at the balance sheet date. Other equity investments for which fair value cannot be determined reliably are measured at cost.

Cash

Cash includes deposits in bank account.

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).

21. Accounting policies - continued -**Current and deferred tax**

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

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

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

Deferred tax assets are recognised, following an assessment, at the expected realisable value through offsetting against deferred tax liabilities 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 financial payables are measured at amortised cost, normally corresponding to the nominal value of such payables. Other short-term payables are measured at net realisable value.

CASH FLOW STATEMENT

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.