ANNUAL REPORT 2021

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 20 June 2022

Trine Kristensen
Trine Kristensen
Chairman

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MANAGEMENT'S REVIEW

Satisfactory performance

We are generally satisfied with 2021. We experienced significant growth in revenue as well as in earnings. Through the activities initiated, we still pursue the targets we have defined in our Strategy plan. Against this background, we look back on 2021 with satisfaction and remain positive toward 2022. On the longer term, we strongly believe that our revised offerings and next generation digital platform combined with advisory services will be a significant growth driver for Ennova.

Innovation as core

Our aim is to empower organizations, leaders and employees to improve the employee and customer experience through proven, concise content in The People Impact Platform and engaging advisory. In 2021, we have increased our efforts of bringing new digital concepts and solutions to the market and have obtained very positive responses from existing and new clients on all markets.

External environment

Our activities are not believed to have a negative impact on the external environment.

Developing intellectual capital resources

The Groups activity are based on competencies and knowledge. Consequently, investments are made on a continuous basis to attract, develop and maintain the best talents in the business. We continued our efforts at specializing employees and their fields of responsibility and realized a number of specific training programs for our consultants and employees sharing knowledge and best practices.

Risk management

It is the assessment of The Executive Board, that no specific risks affect our operation or balance sheet. Our business is to a limited extent affected by exchange rate movements. Throughout 2021, we have continued to invest in constantly improving the level of Information Security. This work continues with the same intensity in 2022.

Gender composition of Management

In 2021, 21% of Management positions were obtained by women. Our ambition is to increase this number. It is the company's goal for all positions, that women are at equal terms with men and that the most qualified person therefore holds the position in question.

MANAGEMENT'S REVIEW

Uncertainty relating to recognition and measurement

Recognition and measurement in the Annual Report have not been subject to any uncertainty.

Outlook

In 2022, Ennova will continue its efforts to execute on the Strategy plan. Over the year, Ennova has strengthened our basis for future growth and profitability, both through a strengthened position in the market in and outside Scandinavia, and through a heavy investment in The People Impact Platform. In 2022 we expect an increase in revenue in the range of 5-10% compared to 2021.

FINANCIAL HIGHLIGHTS

The following financial highlights are describing the development of the Group over the last 5 years.

	Consolidated				
	2021	2020	2019	2018	2017
	TDKK	TDKK	TDKK	TDKK	TDKK
Key Figures					
Income Statement					
Gross profit	67.345	52.898	67.987	71.493	72.037
EBITDA	8.611	8.059	11.542	13.512	12.960
Adjusted EBITDA *)	8.053	8.053	12.800	13.765	13.560
EBIT	4.436	583	3.732	5.594	5.147
Financials, net	424	100	44	-499	-490
EBT	4.860	683	3.776	5.095	4.657
Tax	-784	70	-844	-1.137	-1.003
Net profit for the year	4.076	753	2.932	3.958	3.654
Balance Sheet					
Equity	28.281	25.854	26.615	23.697	19.756
Total assets	63.484	49.980	52.198	50.191	51.698
Average number of employees	**84**	**76**	**87**	**92**	**96**
Ratios					
Return on assets	7,0	1,2	7,1	11,1	10,0
Equity ratio	44,5	51,7	51,0	47,2	38,2
Return on equity	15,1	2,9	11,7	18,2	17,8

For definitions of the financial ratios, see the accounting policies.

*) Adjusted EBITDA is defined as normalized EBITDA after adjusting for nonrecurring costs in the year.

CONSOLIDATED FINANCIAL STATEMENT

INCOME STATEMENT 1 JAN – 31 DEC

		Consolidated		Parent	
	Note	2021	2020	2021	2020
		TDKK	TDKK	TDKK	TDKK
Gross profit		**67.345**	**52.898**	**68.821**	**54.129**
Staff expenses	1	-58.734	-44.839	-51.549	-40.345
Other operating expenses		0	0	-9.136	-9.526
Profit before depreciation, amortisation and impairment and financial income and expenses		**8.611**	**8.059**	**8.136**	**4.258**
Amortisation, depreciation and impairment	2	-4.175	-7.476	-4.175	-7.458
Profit before financial income and expenses		**4.436**	**583**	**3.961**	**-3.200**
Income from investments in subsidiaries		0	0	571	3.071
Financial income	3	466	284	467	284
Financial expenses	4	-42	-184	-299	-306
Profit before tax		**4.860**	**683**	**4.700**	**-151**
Tax on profit for the year	5	-784	70	-624	904
Net profit for the year		**4.076**	**753**	**4.076**	**753**

BALANCE SHEET AT 31 DECEMBER

Assets		Consolidated		Parent	
	Note	2021	2020	2021	2020
		TDKK	TDKK	TDKK	TDKK
Completed development projects		16.894	13.000	16.894	13.000
Intangible assets	6	**16.894**	**13.000**	**16.894**	**13.000**
Fixtures and fittings, tools and equipment		1.369	1.472	1.369	1.472
Leasehold improvements		740	992	589	841
Property, plant and equipment	7	**2.109**	**2.464**	**1.958**	**2.313**
Investments in subsidiaries	8	0	0	2.965	6.775
Receivables from group enterprises		0	0	0	0
Deposits	9	931	1.058	931	1.058
Fixed asset investments		**931**	**1.058**	**3.896**	**7.833**
Fixed assets		**19.934**	**16.522**	**22.748**	**23.146**
Trade receivables		18.519	14.013	18.519	14.013
Contract work in progress	10	3.961	2.568	3.961	2.568
Receivables from group enterprises		11.007	9.341	11.007	9.341
Other receivables		819	392	0	130
Deferred tax asset	11	15	16	0	0
Corporation tax		0	0	0	0
Prepayments	12	6.182	4.223	5.906	3.963
Receivables		**40.503**	**30.553**	**39.393**	**30.015**
Cash at bank and in hand		**3.047**	**2.905**	**2.658**	**2.478**
Current assets		**43.550**	**33.458**	**42.051**	**32.493**
Assets		**63.484**	**49.980**	**64.799**	**55.639**

BALANCE SHEET AT 31 DECEMBER

Equity and Liabilities

		Consolidated		Parent	
	Note	2021	2020	2021	2020
		TDKK	TDKK	TDKK	TDKK
Share capital		9.360	9.360	9.360	9.360
Reserve for net revaluation under the equity method		0	0	909	2.150
Reserve for completed development projects		0	0	13.177	10.140
Reserve for exchange rate coversion		237	186	0	0
Retained earnings		17.784	14.608	3.935	2.504
Proposed dividend for the year		900	1.700	900	1.700
Equity		**28.281**	**25.854**	**28.281**	**25.854**
Provision for deferred tax	11	3.310	2.671	3.310	2.671
Other provisions	13	731	886	580	735
Provisions		**4.041**	**3.557**	**3.890**	**3.406**
Other payables	14	6.180	3.336	6.180	3.336
Long-term liabilities		**6.180**	**3.336**	**6.180**	**3.336**
Credit institutions		141	198	141	197
Prepayments received from customers	10	4.502	2.886	4.502	2.886
Trade payables		4.339	5.635	4.176	5.341
Payables to group enterprises		0	0	3.810	7.710
Corporation tax		594	744	0	0
Other payables	14	15.406	7.770	13.819	6.909
Short-term liabilities		**24.982**	**17.233**	**26.448**	**23.043**
Liabilities		**31.162**	**20.569**	**32.628**	**26.379**
Equity and Liabilities		**63.484**	**49.980**	**64.799**	**55.639**

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STATEMENT OF CHANGES IN EQUITY

Consolidated

	Share capital	*Reserve for exchange rate conversion*	*Retained earnings*	*Proposed dividend for the year*	*Total*
	TDKK	TDKK	TDKK	TDKK	TDKK
Equity at 1 January	9.360	186	14.608	1.700	25.854
Dividend paid	0	0	0	-1.700	-1.700
Exchange adjustments relating to subsidiaries	0	-4	0	0	-4
Exchange adjustments relating to loan to subsidiaries	0	70	0	0	70
Tax on exchange adjustments relating to loan to subsidiaries for the year	0	-15	0	0	-15
Net profit for the year	0	0	3.176	900	4.076
Equity at 31 December	**9.360**	**237**	**17.784**	**900**	**28.281**

Parent

	Share capital	*Reserve for completed development projects*	*Reserve for net revaluation under the equity method*	*Retained earnings*	*Proposed dividend for the year*	*Total*
	TDKK	TDKK	TDKK	TDKK	TDKK	TDKK
Equity at 1 January	9.360	10.140	2.150	2.504	1.700	25.854
Dividend paid	0	0	0	0	-1.700	-1.700
Exchange adjustments relating to subsidiaries	0	0	-4	0	0	-4
Exchange adjustments relating to loan to subsidiaries	0	0	0	70	0	70
Tax on exchange adjustments relating to loan to subsidiaries for the year	0	0	0	-15	0	-15
Completed development projects for the year	0	5.460	0	-5.460	0	0
Depreciation, amortisation and impairment for the year	0	-2.423	0	2.423	0	0
Transferred to/from retained earnings	0	0	0	0	0	0
Net profit for the year	0	0	-1.237	4.413	900	4.076
Equity at 31 December	**9.360**	**13.177**	**909**	**3.935**	**900**	**28.281**

NOTES TO ANNUAL REPORT

	Consolidated		Parent	
	2021	2020	2021	2020
	TDKK	TDKK	TDKK	TDKK
1 Staff expenses				
Wages and salaries	50.266	39.087	43.911	34.882
Pensions	6.136	3.610	5.507	3.414
Other social security expenses	595	448	525	425
Other staff expenses	1.737	1.694	1.606	1.624
	58.734	**44.839**	**51.549**	**40.345**

Remuneration to the Executive Board has not been disclosed in accordance with section 98 B(3) of the Danish Financial Statements Act.

Average number of employees	84	76	74	68

2 Amortisation, depreciation and impairment

	Consolidated 2021 TDKK	Consolidated 2020 TDKK	Parent 2021 TDKK	Parent 2020 TDKK
Completed development projects	3.106	6.500	3.106	6.500
Other fixtures and fittings, tools and equipment	817	885	817	885
Leasehold improvements	252	91	252	73
	4.175	**7.476**	**4.175**	**7.458**

NOTES TO ANNUAL REPORT

	Consolidated		Parent	
	2021	2020	2021	2020
	TDKK	TDKK	TDKK	TDKK
3 Financial income				
Interest received from group enterprises	281	268	282	268
Other financial income	38	0	38	0
Exchange rate gains	147	16	147	16
	466	**284**	**467**	**284**
4 Financial expenses				
Interest paid to group enterprises	0	0	259	125
Other financial expenses	42	184	40	181
Exchange rate losses	0	0	0	0
	42	**184**	**299**	**306**
5 Tax on profit for the year				
Current tax for the year	159	834	0	0
Deferred tax for the year	640	-864	639	-864
	799	**-30**	**639**	**-864**
which breaks down as follows:				
Tax on profit for the year	784	-70	624	-904
Tax on changes in equity	15	40	15	40
	799	**-30**	**639**	**-864**

NOTES TO ANNUAL REPORT

6 Intangible assets

	Completed development projects TDKK
Cost at 1 January	43.972
Additions	7.000
Cost at 31 December	50.972
Amortisation and impairment losses at 1 January	30.972
Amortisation for the year	3.106
Amortisation and impairment losses at 31 December	34.078
Carrying amount at 31 December	**16.894**
Amortised over	5 years

Development projects relate to development and improvement of the production platform and concepts. The production platform will support the Company's operation in the years ahead as the improved and new concepts will be the basis for the Company's earnings in the years ahead. The development projects have been recognised at cost and is amortised on a current basis in accordance with the Company's accounting policies. Based on the nature of the items, recognition and measurement of the expenses are not assessed to be subject to any special conditions.

NOTES TO ANNUAL REPORT

7 Property, plant and equipment

Consolidated

	Fixtures and fittings, tools and equipment	Leasehold improvements
	TDKK	TDKK
Cost at 1 January	6.234	1.649
Transferred		
Adjustment to end exhange rates	9	-1
Additions	714	0
Disposals	-328	-209
Cost at 31 December	6.629	1.439
Depreciation and impairment losses at 1 January	4.762	657
Transferred		
Adjustment to end exhange rates	9	-1
Depreciation for the year	817	252
Depreciation on disposals for the year	-328	-209
Depreciation and impairment losses at 31 December	5.260	699
Carrying amount at 31 December	**1.369**	**740**
Amortised over	3-5 years	5-10 years

NOTES TO ANNUAL REPORT

7 Property, plant and equipment (continued)

Parent

	Fixtures and fittings, tools and equipment	Leasehold improvements
	TDKK	TDKK
Cost at 1 January	5.701	1.443
Additions	714	0
Disposals	0	-155
Cost at 31 December	6.415	1.288
Depreciation and impairment losses at 1 January	4.229	602
Depreciation for the year	817	252
Depreciation on disposals for the year	0	-155
Depreciation and impairment losses at 31 December	5.046	699
Carrying amount at 31 December	**1.369**	**589**
Amortised over	3-5 years	5-10 years

NOTES TO ANNUAL REPORT

		Parent	
		2021	2020
		TDKK	TDKK
8	**Investments in subsidiaries**		
	Cost at 1 January	222	222
	Additions	0	0
	Cost at 31 december	222	222
	Value adjustments 1 January	6.553	3.437
	Exchange adjustment	-4	45
	Net profit/(loss) for the year	571	3.071
	Dividend	-4.377	0
	Adjustment equity investments with negative net asset value amortised over receivables		
	Provision for investments with negative equity	0	0
	Value adjustments 31 December	2.743	6.553
	Carrying amount at 31 December	**2.965**	**6.775**

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Votes and ownership
Ennova AB	Stockholm, Sweden	TSEK 100	100%
Ennova AS	Oslo, Norway	TNOK 100	100%

		Consolidated		Parent	
		2021	2020	2021	2020
		TDKK	TDKK	TDKK	TDKK
9	**Deposits**				
	Cost at 1 January	1.058	1.041	1.058	1.041
	Additions	-127	17	-127	17
	Disposals	0	0	0	0
	Carrying amount at 31 December	**931**	**1.058**	**931**	**1.058**

NOTES TO ANNUAL REPORT

	Consolidated		Parent	
	2021	2020	2021	2020
	TDKK	TDKK	TDKK	TDKK
10 Contract work in progress				
Selling price of production for the period	33.623	8.138	33.623	8.138
Payments received on account	-34.164	-8.456	-34.164	-8.456
	-541	**-318**	**-541**	**-318**
Recognised in the balance sheet:				
Contract work in progress	3.961	2.568	3.961	2.568
Prepayments received from customers	-4.502	-2.886	-4.502	-2.886
	-541	**-318**	**-541**	**-318**
11 Provision for deferred tax				
Provision for deferred tax at 1 January	2.655	3.517	2.671	3.535
Adjustment to end exhange rates	0	2	0	0
Acquisition	0	0		
Provision for defered tax in equity	15	0	15	0
Provision for deferred tax in income statement	625	-864	624	-864
Provision for deferred tax at 31 December	**3.295**	**2.655**	**3.310**	**2.671**

Deferred tax has been provided at 22% corresponding to the current tax rate.

Deferred tax asset	15	16	0	0
Provision for deferred tax	3.310	2.671	3.310	2.671
	3.295	**2.655**	**3.310**	**2.671**

12 Prepayments

Prepayments relates to prepayt cost to office rent, insurances, licenses and subscriptions.

13 Other provisions

Other provisions relates to obligations for leasehold restoration.

NOTES TO ANNUAL REPORT

14 Other payables

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

	Consolidated		Parent	
	2021	2020	2021	2020
	TDKK	TDKK	TDKK	TDKK
Other payables				
Between 1 and 5 years	6.180	3.336	6.180	3.336
Long-term debt	6.180	3.336	6.180	3.336
Within 1 year	15.226	7.770	13.819	6.909
Short-term debt	15.226	7.770	13.819	6.909

15 Distribution of profit

	Parent	
	2021	2020
	TDKK	TDKK
Proposed dividend for the year	900	1.700
Reserve for net revaluation under the equity method	-1.237	-1.333
Retained earnings	4.413	386
	4.076	**753**

The share capital consists of 9,360,168 shares of a nom. value of DKK 1. No shares carry any special rights. There have been no changes in the share capital during the last 5 years.

NOTES TO ANNUAL REPORT

16 Contingent assets, liabilities and other financial obligations

	Consolidated		Parent	
	2021	2020	2021	2020
	TDKK	TDKK	TDKK	TDKK
Rental obligations				
Within 1 year	2.821	2.760	1.993	2.197
Between 1 and 5 years	6.979	8.170	5.868	7.860
After 5 years	0	0	0	0
	9.800	10.930	7.861	10.057
Lease obligations				
Within 1 year	96	157	96	157
Between 1 and 5 years	38	128	38	128
	134	285	134	285

The Company has issued a letter of support in favour of subsidiaries Ennova AB and Ennova AS.
The Company provided guarantees for bank debt in the subsidiaries Ennova AB and Ennova AS.

Group taxation

The Danish group companies are jointly and severally liable for tax on the jointly taxed income etc of the Group. Trine Kristensen Holding ApS (CVR No 27 49 44 12) is the management company of the joint taxation. Moreover, the Danish group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, royalty tax and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

NOTES TO ANNUAL REPORT

17 Related parties

	Basis
Controlling interest	
Ennova Holding A/S, Daugbjergvej 26, DK-8000 Aarhus C	Parent company

Transactions

Referring to section 98 C, subsection 7 of the Danish Financial Statements Act, no information describing transactions with related parties is provided.

Consolidated accounts

The Company is consolidated into the group accounts of Trine Kristensen Holding ApS, CVR No 27 49 44 12.
The consolidated accounts can be recovered at Ennova A/S.

Ownership

The following shareholders are recorded in the Company's register of shareholders as holding at least 5% of the votes or at least 5% of the share capital:

Ennova Holding A/S, Daugbjergvej 26, DK-8000 Aarhus C

18 Subsequent events

No events materially affecting the assessment of the Annual Report have occured after the balance sheet date.

NOTES TO ANNUAL REPORT

19 Accounting Policies

The Annual Report of Ennova A/S for 2021 has been prepared in accordance with the provisions applying to medium sized enterprises of reporting class C under the Danish Financial Statements Act.

The accounting policies applied remain unchanged from last year.

The Financial Statements and the Consolidated Financial Statements for 2021 is presented in DKK thousands.

Changes in accounting estimates

Accounting estimates policies have changed in the following areas:

Intangible assets:

The expected useful life of development projects is changed from a maximum of 3 years to a maximum of 5 years.

The reason for the change in practice is that the completed development projects are estimated to have a significantly longer useful life than the previous 3 years, and recognition of this in the balance sheet will in the management's opinion thus give a more accurate picture of the company's assets, liabilities, and result.

The accumulated effect of the changes in practice amounts to per. December 31, 2021:

• Profit for the year before tax increases by DKK 3,394 thousand.

• The tax for the year on the change in practice amounts to DKK 746 thousand.

• Profit for the year after tax increases by DKK 2,647 thousand.

• The balance sheet total is increased by DKK 3,394 thousand.

• Equity is increased by DKK 2,647 thousand.

• The changes in practice does not effect previous years amounts.

Apart from the above areas, the accounting estimates are unchanged compared to last year.

NOTES TO ANNUAL REPORT

19 Accounting Policies (continued)

Cash Flow Statement

With reference to section 86(4) of the Danish Financial Statements Act and to the cash flow statement included in the consolidated financial statements of Trine Kristensen Holding ApS, the Company has not prepared a cash flow statement.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost, are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the maturity period. Amortised cost is calculated as original cost less any repayments and with addition/deduction of the cumulative amortisation of any difference between cost and the nominal amount. In this way, capital losses and gains are allocated over the maturity period.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report which confirm or invalidate affairs and conditions existing at the balance sheet date.

Danish kroner is used as the measurement currency. All other currencies are regarded as foreign currencies.

NOTES TO ANNUAL REPORT

19 Accounting Policies (continued)

Basis of consolidation

The Consolidated Financial Statements comprise the Parent Company, Ennova A/S, and subsidiaries in which the Parent Company directly or indirectly holds more than 50% of the votes or in which the Parent Company, through share ownership or otherwise, exercises control. Enterprises in which the Group holds between 20% and 50% of the votes and exercises significant influence but not control are classified as associates.

On consolidation, items of a uniform nature are combined. Elimination is made of intercompany income and expenses, shareholdings, dividends and accounts as well as of realized and unrealized profits and losses on transactions between the consolidated enterprises.

The Parent Company's investments in the consolidated subsidiaries are set off against the Parent Company's share of the net asset value of subsidiaries stated at the time of consolidation.

On acquisition of subsidiaries, the difference between cost and net asset value of the enterprise acquired is determined at the date of acquisition after the individual assets and liabilities having been adjusted to fair value (the purchase method). This includes allowing for any restructuring provisions etermined in relation to the enterprise acquired. Any remaining positive differences are recognised in intangible assets in the balance sheet as goodwill, which is amortised in the income statement on a straightline basis over its estimated useful life, but not exceeding 20 years. Any remaining negative differences are recognised in deferred income in the balance sheet as negative goodwill. Amounts at tributable to expected losses or expenses are recognised as income in the income statement as the affairs and conditions to which the amounts relate materialise. Negative goodwill not related to expected losses or expenses is recognised at an amount equal to the fair value of non-monetary assets in the income statement over the average useful life of the non-monetary assets.

Positive and negative differences from enterprises acquired may, due to changes to the recognition and measurement of net assets, be adjusted until the end of the financial year following the year of acquisition. These adjustments are also reflected in the value of goodwill or negative goodwill, including in amortisation already made.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Gains and losses arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the transaction date rates are recognised in financial income and expenses in the income statement.

NOTES TO ANNUAL REPORT

19 Accounting Policies (continued)

Translation policies (continued)

The financial statements of foreign undertakings are translated into Danish kroner using the exchange rates at the balance sheet date for balance sheet items, and using the transaction date rates or approximate average exchange rates for income statement items. The difference between the exchange rates at the balance sheet date and the transaction date rates is taken directly to the equity. Exchange differences as a result of translating the equity of foreign undertakings at the beginning of the year to the exchange rates at the balance sheet date are taken to the equity.

Foreign exchange adjustments of inter group balances with foreign subsidiaries, which are considered an addition to or a reduction from the subsidiaries' capital, and exchange differences from the hedging of foreign subsidiaries' equity are recognised directly in the equity.

Derivative financial instruments

Derivative financial instruments are initially recognised in the balance sheet at cost and are subsequently measured at their fair values. Positive and negative fair values of derivative financial instruments are classified as “Other receivables” and “Other payables”, respectively.

Changes in the fair values of derivative financial instruments are recognised in the income statement unless the derivative financial instrument is designated and qualify as hedge accounting, see below.

Hedge accounting

Changes in the fair value of derivative financial instruments designated as and qualifying for recognition as a hedge of the fair value of a recognised asset or liability are recognised in the income statement together with changes in the fair value of the hedged asset or liability.

Hedge of expected future transactions are recognised directly in equity. If the hedged transaction results in an asset or a liability, the amount deferred in equity is transferred from equity and recognised in the cost of the asset or the liability, respectively. If the hedged transaction results in an income or an expense, the amount deferred in equity is transferred from equity to the income statement in the period in which the hedged transaction is recognised. The amount is recognised in the same item as the hedged transaction.

NOTES TO ANNUAL REPORT

19 Accounting Policies (continued)

Income Statement

Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, revenue has not been disclosed in the Annual Report.

Revenue

Revenue from the sale of goods and services is recognised in the income statement when the sale is considered effected based on the following criteria;

- delivery has been made before year end;
- a binding sales agreement has been made;
- the sales price has been determined; and payment has been received or may with reasonable certainty be expected to be received.

Revenue is recognised exclusive of VAT, taxes and net of discounts relating to sales.

For contract work in progress, the percentage-of-completion method is used. Accordingly, the value of the performed part of the orders is recognised as revenue at the estimated sales value of the work performed. This method is applied when total revenues and expenses in respect of the contract and the stage of completion at the balance sheet date can be measured reliably, and it is probable that the economic benefits, including payments, will flow to the Company.

Other external expenses

Other external expenses comprise indirect production costs and expenses for premises, sales and distribution as well as office expenses, etc.

Staff expense

Staff expenses comprise wages and salaries as well as employee related expenses.

Amortisation, depreciation and impairment

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

NOTES TO ANNUAL REPORT

19 Accounting Policies (continued)

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the core activities of the Company, as well as gains and losses from current replacement of fixed assets.

Income from investments in subsidiaries

The proportionate share of the profits/(losses) after taxes of the individual subsidiaries for the year less goodwill amortisation is recognised in the income statement.

Financial income and expenses

Financial income and expenses comprise interest income and expenses, realised and unrealised exchange rate gains and losses regarding receivables and payables denominated in foreign currencies as well as extra payments and repayment under the on-account taxation scheme.

Tax on profit/(loss) for the year

Tax for the year comprises current tax and changes in deferred tax for the year. The tax expense relating to the profit/(loss) for the year is recognised in the income statement, and the tax expense relating to changes directly recognised in equity is recognised directly in equity. The tax expense recognised in the income statement relating to the extraordinary profit/(loss) for the year is allocated to this item whereas the remaining tax expense is allocated to the profit/(loss) for the year from ordinary activities.

Ennova A/S is jointly taxed with Danish group enterprises. The current Danish corporation tax is allocated between the jointly taxed Danish enterprises in proportion to their taxable income (full absorption with refunds for tax losses). The jointly taxed enterprises are taxed under the on-account tax scheme.

Balance Sheet

Intangible assets

Costs of development projects comprise salaries, amortisation and other expenses directly or indirectly attributable to the development activities of the Company. Borrowing costs are not recognised.

Development projects that are clearly defined and identifiable and in respect of which technical feasibility, sufficient resources and a potential future market or development opportunity in the enterprise can be demonstrated, and where it is the intention to manufacture, market or use the project, are recognised as intangible assets. This applies if sufficient certainty exists that the value in use of future earnings can cover cost of sales, distribution and administrative expenses involved as well as the development costs.

NOTES TO ANNUAL REPORT

19 Accounting Policies (continued)

Intangible assets (continued)

Development projects that do not meet the criteria for recognition in the balance sheet are recognised as expenses in the income statement as incurred.

Capitalised development costs are measured at cost less accumulated amortisation and impairment losses or at a lower recoverable amount.

As of the date of completion, capitalised development costs are amortised on a straight-line basis over the period of the expected economic benefit from the development work, but not exceeding 5 years. An amount equal to the capitalized development costs incurred after January 1, 2016 are recognized as "reserve for development costs" under equity.

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use. Borrowing costs are not recognised.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	5-10 years

Assets costing less than DKK 14,100 are expensed in the year of acquisition.

The fixed assets' residual values are deter mined at nil.

Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation. If so, an impairment test is carried out to determine whether the recoverable amount is lower than the carrying amount and the asset is written down to its lower recoverable amount.

NOTES TO ANNUAL REPORT

19 Accounting Policies (continued)

The recoverable amount of the asset is calculated as the higher of net selling price and value in use. Where a recoverable amount cannot be determined for the individual asset, the assets are assessed in the smallest group of assets for which a reliable recoverable amount can be determined based on a total assessment.

Fixed asset investments

Investments in subsidiaries are measured according to the equity method. This means that the investments are recognised in the balance sheet at the proportionate share of their net asset value with addition of group goodwill and less amortisation of group goodwill.

Subsidiaries with negative net asset values are measured at DKK 0 (nil), and any amounts owed by such enterprises are written down by the share of the negative net asset value. Where the negative net asset value exceeds the amount owed, and the Parent Company has a legal or constructive obligation to cover the negative balance of the enterprise, the remaining amount is recognised under “Provisions”.

Other investments are valued at cost less any write-downs.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts. Provisions for bad debts are determined on the basis of an individual assessment of each receivable.

Contract work in progress

Contract work in progress is measured at the sales value of the work performed calculated on the basis of the stage of completion (the percentage-of-completion method). The stage of completion is measured by the proportion of contract expenses incurred to date to the estimated total contract expenses. Provisions are made for loss-making orders.

Contract work in progress (continued)

Payments received on account from customers are set off against contract work in progress to the extent that these payments on account correspond to the value of work in progress. The individual contracts are classified as receivables when the net selling price is positive and as liabilities when the net selling price is negative.

Expenses relating to sales work and the winning of contracts are recognised in the income statement as incurred.

Prepayments

Prepayments comprise costs incurred concerning subsequent financial years.

NOTES TO ANNUAL REPORT

19 Accounting Policies (continued)

Proposed dividend for the year

Dividend distribution proposed by Management for the year is disclosed as a separate equity item.

Provisions

Provisions are recognised when - in consequence of an event occurred before or on the balance sheet date - the Company has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation.

Deferred tax assets and liabilities

Deferred tax is recognised in respect of all temporary differences between the carrying amount and the tax base of assets and liabilities, measured on the basis of the intended use of the asset and settlement of the liability, respectively.

However, deferred tax is not recognised in respect of temporary differences concerning goodwill not deductible for tax purposes and other items - apart from business acquisitions - where temporary differences have arisen at the time of acquisition without affecting the profit/(loss) for the year or the taxable income.

Deferred tax is measured on the basis of the tax rules and at tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallise as current tax. In cases where the computation of the tax base may be made according to alternative tax rules, deferred tax is measured on the basis of the intended use of the asset and settlement of the liability, respectively.

Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

Deferred tax assets and liabilities (continued)

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities.

Deferred tax assets and liabilities are set off within the same legal tax entity.

Current tax receivables and liabilities

Current tax receivables and liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on taxable incomes for prior years. Tax receivables and liabilities are set off if there is a legally enforceable right of set-off and an intention to settle on a net basis or simultaneously.

NOTES TO ANNUAL REPORT

19 Accounting Policies (continued)

Liabilities

Fixed-interest loans, such as mortgage loans and loans from credit institutions, are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost;

the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Other liabilities are measured at amortised cost, substantially corresponding to nominal value.

Explanation of financial ratios

Return on assets	=	(EBIT x 100) / Total assets
Equity ratio	=	(Equity x 100) / Total equity and liabilities
Return on equity	=	(Net profit for the year x 100) / Average equity

STATEMENTS AND OTHER INFORMATION

MANAGEMENT'S STATEMENT ON THE ANNUAL REPORT

The Executive and Supervisory Boards have today considered and adopted the Annual Report of Ennova A/S for the financial year 1 January - 31 December 2021.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Financial Statements and the Consolidated Financial Statements give a true and fair view of the financial position at 31 December 2021 of the Company and the Group and of the results of the Company and Group operations for 2021.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Aarhus, 20 June 2022

Executive Board

Thomas Vestergaard
Thomas Vestergaard

CEO, partner

Supervisory Board

Trine Kristensen	Kai Kristensen	Thomas Vestergaard
Trine Kristensen	Kai Kristensen	Thomas Vestergaaard
Chairman, partner	*Professor, Dr. Merc.*	*CEO, partner*

INDEPENDENT AUDITORS REPORT

To the Shareholder of Ennova A/S

Opinion

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2021, and of the results of the Group's and the Parent Company's operations for the financial year 1 January - 31 December 2021 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of Ennova A/S for the financial year 1 January - 31 December 2021, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company.

Basis of 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 Group 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 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 Financials Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Consolidated Financial Statements and the Parent Company Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement in Management's Review.

INDEPENDENT AUDITORS REPORT

Management's Responsibilities for the Financial Statements

Management is responsible for the preparation of Consolidated Financial Statements and Parent Company Financial Statements that give a true and fair view in accordance with the Danish Financial Statements Act, 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 Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Group or the Parent 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 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 Group's and the Parent Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

INDEPENDENT AUDITORS REPORT

- 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 Group's and the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Parent 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.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Aarhus, 20 June 2022

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR-no. 33 77 12 31

Henrik Berring Rasmussen

State Authorised Public Accountant

mne34157

COMPANY INFORMATION

The Company

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Website: www.ennova.com
E-mail: email@ennova.com

CVR No: 19 58 73 47
Financial period: 1 January - 31 December
Municipality of reg. office: Aarhus

Executive Board

Thomas Vestergaaard

Supervisory Board

Trine Kristensen, Chairman
Kai Kristensen
Thomas Vestergaard

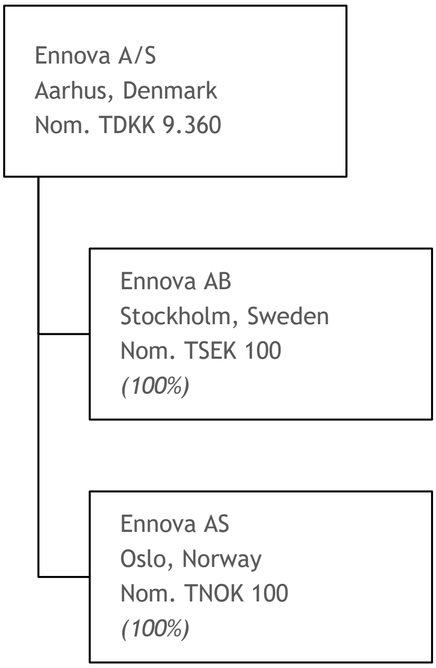
Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Nobelparken
Jens Chr. Skous Vej 1
DK-8000 Aarhus C

GROUP OVERVIEW

Parent

Consolidated subsidiaries



INTRANOTE signing

Signatures in this document are legally binding.
The document is signed using IntraNote Signing.
The Signers identity has been registered and the signers are listed below

With my signature, I confirm the content and dates in this document

Thomas Vestergaard
On behalf of: Ennova A/S
ID: 15896cd6-1b26-aa86-b829-e527cbb1694f
Date: 2022-06-20 10:36 (UTC)

Thomas Vestergaard

Trine Kristensen
On behalf of: Ennova A/S
ID: 6d3bfb07-fcfb-43bb-e3aa-84fbaf1630c2
Date: 2022-06-20 10:52 (UTC)

Trine Kristensen

Kai Kristensen
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Date: 2022-06-20 11:11 (UTC)

Kai Kristensen

Henrik Berring Rasmussen
On behalf of: PwC
ID: 536d0049-dbf1-79d0-fd24-aeeb5dc4beb0
Date: 2022-06-20 12:07 (UTC)