

# INTERIM BALANCE

**31 AUGUST 2019**



**ATHENA**  
INVESTMENTS

## STATEMENT BY THE BOARD OF DIRECTORS AND THE MANAGEMENT

The Board of Directors and the Management Board have considered and adopted the Interim balance of the parent company of Athena Investments A/S for the period 1 January – 31 August 2019. The Interim balance has been prepared solely for providing a basis for the resolution to distribute extraordinary dividends, cf. section 182 of the Danish Companies Act, primarily attributable to the disposal of some Company's investments.

We consider the accounting policies appropriate and the accounting estimates reasonable. To our knowledge, the Interim balance contains all the information necessary to assess the financial position of the Company at 31 August 2019.

Copenhagen, 28 October 2019

### Management Board:

Alessandro Reitelli  
CEO

Francesco Vittori  
CFO

### Board of Directors:

Peter Høstgaard-Jensen  
Chairman

Sigieri Diaz della Vittoria Pallavicini  
Deputy Chairman

Michèle Bellon

Valerio Andreoli Bonazzi

Jean-Marc Janailhac

## **Independent auditor's report**

### **To the Board of Directors of Athena Investments A/S**

We have reviewed the Interim balance of the parent company of Athena Investments A/S at 31 August 2019, which comprises accounting policies, balance sheet, statement of changes in equity and notes. The Interim Balance is prepared in accordance with the provisions regarding recognition and measurement as described on page 7 in the accounting policies.

### **Management's responsibilities for the Interim Balance**

Management is responsible for the preparation of an Interim Balance in accordance with the provisions regarding recognition and measurement as described on page 7 in the accounting policies and for such internal control as Management determines is necessary to enable the preparation of an Interim Balance that is free from material misstatement, whether due to fraud or error.

### **Auditor's responsibilities**

Our responsibility is to express a conclusion on the Interim Balance. We conducted our review in accordance with the International Standard on Review Engagement of Interim Financial Information Performed by the Independent Auditor of the Entity and additional requirements applicable in Denmark.

This requires us to conclude whether anything has come to our attention that causes us to believe that the Interim Balance, taken as a whole, is not prepared, in all material respects, in accordance with the provisions regarding recognition and measurement as described on page 7 in the accounting policies. This standard also requires us to comply with ethical requirements.

A review of an Interim Balance in accordance with the International Standard on Review of Internal Interim Financial Information Performed by the Independent Auditor of the Entity is a limited assurance engagement. The auditor performs procedures primarily consisting of making enquiries of Management and others within the Company, as appropriate, applying analytical procedures and evaluating the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with the International Standards on Auditing. Accordingly, we do not express an audit opinion on the Interim Balance.

### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the Interim Balance of the parent company of Athena Investments A/S at 31 August 2019 is not prepared, in all material respects, in accordance with the provisions regarding recognition and measurement as described on page 7 in the accounting policies.

## **Emphasis of matter - limitation of use**

We draw attention to the fact that the Interim Balance is prepared for the purpose of providing the Executive Board and the General assembly with an overview of the financial position of the Company, including the existence of distributable reserves and available cash, which, combined with other information, can provide a basis for the Board of Director's and the General assembly's considerations and resolution to distribute extraordinary dividend.

Our report has been prepared solely to form a basis, combined with other information, for the Board of Director's and the General assembly's considerations and resolution to distribute extraordinary dividend, if any, and should not be used for any other purposes.

We have not modified our conclusion in respect of this matter.

Copenhagen, 28 October 2019

ERNST & YOUNG  
Godkendt Revisionspartnerselskab  
CVR no. 30 70 02 28

Mikkel Sthyr  
State authorised public accountant  
MNE no 26693

Peter Andersen  
State authorised public accountant  
MNE no. mne34313

## BALANCE SHEET

<b>BALANCE SHEET ASSETS</b>	<b>31.08.2019</b>
<b>EUR'000</b>	
Investments in subsidiaries	88,017
Other non-current financial assets	39,192
<b>TOTAL NON-CURRENT ASSETS</b>	<b>127,209</b>
Trade receivables	43
Income tax receivable	59
Other current financial assets	951
Other current assets	54
Cash at bank and in hand	5,602
<b>TOTAL CURRENT ASSETS</b>	<b>6,709</b>
<b>TOTAL ASSETS</b>	<b>133,918</b>

<b>BALANCE SHEET LIABILITIES AND EQUITY</b>	<b>31.08.2019</b>
<b>EUR'000</b>	
Share capital	71,623
Share premium account	2,448
Proposed dividend	50,000
Retained earnings	8,889
<b>TOTAL EQUITY</b>	<b>132,960</b>
Trade payables	571
Other current liabilities	387
<b>Current liabilities</b>	<b>958</b>
<b>TOTAL LIABILITIES</b>	<b>958</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>133,918</b>

## STATEMENT OF CHANGES IN EQUITY

STATEMENT OF CHANGES IN EQUITY	Share Capital	Share premium account	Proposed dividend	Retained earnings	Total
<b>EUR'000</b>					
<b>Equity at 1 January 2019</b>	<b>71,623</b>	<b>32,448</b>		<b>115,515</b>	<b>219,586</b>
Profit/Loss for the period	-	-		-44,872	-44,872
Other comprehensive income	-	-		322	322
Dividends paid	-	-		-42,000	-42,000
Dividends to be paid			50,000	-50,000	-
Transferred	-	-30,000		30,000	-
Other movement	-	-		-76	-76
<b>Equity at 31 August 2019</b>	<b>71,623</b>	<b>2,448</b>	<b>50,000</b>	<b>8,889</b>	<b>132,960</b>

## NOTES

### 1. Accounting policies

In accordance with section 183(2) of the Danish Companies Act, the Interim Balance provides the basis for the shareholders' resolution on the extraordinary distribution of dividend. The accounting policies used for the Interim Balance are identical to the accounting policies used for the financial statements of Athena Investments A/S 2018 for the parent company.

The interim balance is presented in Euro.

The accounting policies are consistent with those applied to the Annual Report for 2018 for the parent company, prepared in accordance with the recognition and measurement criteria laid down in the International Financial Reporting Standards (IFRS). For a full description of accounting policies, see the Annual Report for 2018 page 52-57 and notes to the income statement and balance sheet.

#### Critical choices and judgments in the accounting policies and critical accounting estimates

Management's choices and judgments in the accounting policies in respect of investments value and financial assets. In particular, Management's accounting estimates of investments in subsidiaries and impairment tests of them are critical.

### 2. Investments in Subsidiaries

Investments in subsidiaries, associates and joint ventures are measured at cost in the parent company. Impairment testing is carried out if there is an indication of impairment. The carrying amount is written down to recoverable amount whenever the carrying amount exceeds the recoverable amount.

The impairment loss is recognised as a finance cost in profit and loss. If the parent company has legal or constructive obligation to cover a deficit in subsidiaries, associates and joint ventures, a provision for this is recognised.

<b>INVESTMENTS IN SUBSIDIARIES</b>	<b>31.08.2019</b>
<b>EUR'000</b>	
<b>Cost at 1 January</b>	<b>325,268</b>
Exchange adjustment	161
<b>Disposal/Liquidation</b>	<b>-17</b>
<b>Cost at 31 August 2019</b>	<b>325,412</b>
<b>Impairment loss at 1 January</b>	<b>195,322</b>
Impairment loss for the year	42,073
<b>Impairment loss as of 31 August 2019</b>	<b>237,395</b>
<b>Booked value as of 31 August 2019</b>	<b>88,017</b>

As announced on 25 July 2019 Athena completed the sale of some of its wind and solar assets located in Italy and Spain to Ardian Infrastructure and Glennmont Partners.

Considering the Transaction as a clear Impairment indicator, the Board of Directors and the Management have reviewed the remaining activities of the Company and decided to perform the Impairment Test.

The long-term industrial plan has been thoroughly reviewed and has been the basis for the preparation of the Impairment Test for the investments in subsidiaries. For the calculation of the discount factor (WACC) applied in the valuation of the assets, the Management of Athena has followed the same main assumption as prior years. The impairment result is a loss of EUR 42M.

### **3. Other non-current financial assets**

Other non-current financial assets are mainly represented by:

- Loans to subsidiaries related to the Shareholders Loans between Athena and they direct controlled companies;
- Other receivables related to the non-current financial credit to EDF after the sale of the Polish projects. The payment from EDF of EUR 4.8M will be received when the terms in the sales agreement are fulfilled, which is expected within the next 24 months. The credit will be paid or converted into a minority stake in the projects when they will become operational.

### **4. Equity**

The portfolio of treasury shares amounts to 5,295,314 shares, corresponding to 4.96% of the share capital. The shares were acquired for a total of EUR 14,919K and represented a market value of EUR 4,495 K/€ at 31 August 2019. The Company's portfolio of treasury shares is held for acquiring project companies.

### **5. Pledge and Guarantees**

Following the sale of the controlled company Windpark Gehlenberg Aps & Co. KG, and based on the related sale purchase agreement signed, the Parent company has issued to the buyer a guarantee of EUR 1.0M which will expire in 2022.

Athena has issued a guarantee for loan related payments and has placed it as security for debt to credit institutions concerning the Energia Alternativa project for a maximum guaranteed amount of EUR 17M.

As already mentioned, Athena announced the sale of some of its wind and solar assets located in Italy and Spain to Ardian Infrastructure and Glennmont Partners.

The company, as "joint liable party" together with each seller, issued some guarantees in relation to those sales. According to the Sale Purchase Agreements, the company and the direct sellers established an Escrow Account of EUR 9.6M as the sole guarantee to cover any claim that can occur between the sellers, Athena and buyers (Ardian and Glennmont).

The guarantees will expire in three years so the Escrow Account will be released to the companies at the end of July 2022.

### **6. Contingent assets and liabilities**

Athena has started two arbitration procedures under the Energy Charter Treaty against the Republic of Italy and the Kingdom of Spain in order to claim the damages generated by the changes in the renewable energy framework.



Regarding the ECT Awards rendered against Spain and Italy, both Countries commenced an action with the SVEA Court of Appeal in order to overturn the Awards. To summarise the procedural situation, we are awaiting Italy and Spain's replies to the statement of defence filed in each relevant case. We estimate that oral hearings will be held sometime next year, and we expect a judgment by the Svea Court of Appeal at the earliest in 2020 or 2021. Moreover, a reference to the CJEU and/or an appeal to the Supreme Court may push back the rendering of a final judgment. Nonetheless, Athena is currently filing the Petition to confirm the Arbitration Award according to the 1958 New York Convention for its further enforcement.

The company is jointly taxed with the Danish subsidiaries. The Parent Company, as the administrative company, together with the Danish subsidiaries, has joint and several unlimited liability for Danish corporation taxes.

## **7. Events after the balance sheet date**

After the balance sheet date, the General Meetings of the two subsidiaries Global Litator S.L. and GWM Renewable Energy S.p.A. approved an extraordinary dividend of EUR 30.5M to be distributed to Athena no later than end of October 2019. Additionally, on 30 September 2019, GWM Renewable Energy S.p.A. fully reimbursed to Athena the Shareholder's Loan for a total amount of EUR 29.2M.