

## **Voluntary public offer – Statement by the Board of Directors**

Company Announcement No. 17/2020  
3 November 2020

As announced in Company Announcement No. 16/2020, on 19 October 2020 Athena Investments A/S (“Athena”) received a voluntary public offer from FIDIM SRL (“Fidim”) for the acquisition of all shares in Athena.

The Board of Directors of Athena have reviewed the offer from Fidim together with relevant advisers.

The analysis and conclusions of the Board of Directors of Athena are included in an annex to this Company Announcement.

### The Board of Directors

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Statement by the Board of Directors

APPENDIX TO COMPANY ANNOUNCEMENT NO. 17/2020

**OVERALL STATEMENT BY THE BOARD OF DIRECTORS OF ATHENA INVESTMENTS A/S  
PERTAINING TO THE OFFER MADE BY FIDIM SRL ON 19 OCTOBER 2020**

# Statement by the Board of Directors

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## Statement by the Board of Directors

Statement by the Board of Directors of Athena Investments A/S (the "**Board of Directors**") in accordance with section 22 of the Executive Order no. 636 of 15 May 2020 on takeover bids (the "**Takeover Order**") regarding the voluntary public offer that has been submitted on 19 October 2020 by FIDIM SRL.

### 1. INTRODUCTION

#### 1.1 The offer

On 15 October 2020, FIDIM SRL ("**Fidim**" or the "**Offeror**") announced that Fidim had decided to submit a voluntary public cash offer to the shareholders (the "**Shareholders**") of Athena Investments A/S ("**Athena**" or the "**Company**") (the "**Offer**"). The Offer was made public on 19 October 2020 on the terms set out in the offer document dated 19 October 2020 (the "**Offer Document**") prepared by Fidim and approved by the Danish Financial Supervisory Authority.

The Offeror, FIDIM SRL, is a limited liability company incorporated under the laws of Italy on 21 July 1986 and registered with the Trade Register of Milano Monza Brianza Lodi under company registration no. 08432100157 and with its registered address at Via Valosa di Sopra 9, 20900 Monza (MB), Italy. As of the date of the Offer Document, 99.9 per cent of the share capital of the Offeror is held by SPAFID Trust SRL (company registration no. 04625660966) on trust for LR Trust and the remaining 0.1 per cent is held by Società Italiana di Revisione Fiduciaria S.p.A. (company registration no. 01840910150) on behalf of Lucio Rovati and Luca Rovati (members of the board of directors of the Offeror). As of the date of the Offer Document, the Offeror holds no shares or voting rights in Athena directly. However, the Offeror has declared to own 45.93 per cent of the shares in GWM Renewable Energy I S.p.A., which in turn holds indirectly through GWM Renewable Energy II S.r.l. 50.73 per cent of the shares in Athena. Accordingly, the Offeror has an indirect shareholding in Athena corresponding to approximately 23.30 per cent.

Pursuant to the Offer Document, the Offeror is offering to acquire all shares in Athena of a nominal value of DKK 5.00 each (the "**Shares**") against a consideration of DKK 3.70 in cash per Share (the "**Offer Price**"), subject to any adjustment pursuant to the terms and conditions of the Offer Document (including for payment of any dividend prior to completion of the Offer).

The Offer is subject to no distributions to shareholders or conclusion of any material agreements with related parties having been made since 22 November 2019 and prior to completion of the Offer which have not been disclosed by the Company in a company announcement prior to publication of the Offeror's decision to submit the Offer. If the Offeror waives this condition to completion, the Offeror reserves the right to reduce the Offer Price to be paid pursuant to the Offer by the amount of such dividend or other distribution per Share on a DKK-for-DKK basis (or equal to the fair market value of any distributions in kind to Shareholders).

Pursuant to the Offer Document, the Offer is valid as of 19 October 2020 and the offer period expires on 25 November 2020 at 23:59 (CET), unless the offer period is extended by the Offeror in accordance with applicable laws, rules and regulations and the Offer Document (the "**Offer Period**").

The Offer is subject to certain conditions, as set out in the Offer Document (and repeated below), being satisfied or (subject to applicable laws, rules and regulations) waived or reduced in scope by the Offeror. The conditions for completion of the Offer (the "**Conditions to Completion**") are:

- (a) That the Offeror on expiry of the Offer Period owning or having received valid and binding acceptance from Shareholders with respect to Shares representing in aggregate more than 90 per cent of the share capital and voting rights of the Company.
- (b) That since 22 November 2019 and prior to Completion there have been no distribution to shareholders or conclusion of any material agreements with related parties which have not been disclosed by the Company in a company announcement prior to publication of the Offeror's decision to submit the Offer of 15 October 2020.

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- (c) That, prior to Completion, no changes have been made to the Company's articles of association or share capital and that no undertaking has been made to change the Company's share capital or amend its articles of association relative to the Company's most recently published articles of association of 23 April 2020.
- (d) That the Company's Shares remain to be admitted to trading and official listing until Completion.
- (e) That, during the Offer Period, no information comes to light to the effect that the information set out in the Company's annual report for 2019 and interim financial report for the period 1 January – 30 June 2020 is not, in all material respects, true and fair, and that the Company from 31 December 2019 until Completion has fulfilled its obligation to publish material information in accordance with applicable laws and rules.
- (f) That, prior to Completion, the Company does not (a) resolve to carry out a demerger or merger (including the Board of Directors' adoption of a merger or demerger plan), (b) enter into purchase or sale agreements or other transactions with respect to a significant part (defined as more than 2 per cent) of Athena's assets, rights or businesses and/or (c) enter into joint ventures, alliances or similar obligations or agreements.
- (g) That, prior to Completion, neither the Company nor any Company Subsidiaries sells, enters into an agreement to sell or cancels or enters into an agreement to cancel or in any other way dispose any treasury Shares held by Athena at the time of Publication.
- (h) That, prior to Completion, the Company does not issue (or agree to issue) any or authorise the issuance of warrants, options, convertible loans or other instruments directly or indirectly convertible into, in lieu of or in substitution for, shares in the Company and that no Subsidiaries will issue (or agree to issue) such securities.
- (i) That, since 7 August 2020 and prior to Completion, the Company has not make any significant changes to agreements and employment contracts with the members of the Board of Directors and Executive Management.
- (j) That no adverse legislation has been adopted or legal proceedings (including arbitrations, administrative proceedings, governmental or regulatory investigations, or litigation) or decisions by public authorities that would be reasonably likely to prevent Completion (and the proposed transaction contemplated thereby) and/or the related financing of the Offer on the terms set out in the Offer Document having been commenced or threatened or decided on or taken (as applicable) (in each case other than by the Offeror) in a manner adverse to the Offer.
- (k) That, prior to Completion, no Material Claims have been made against the Company (of others than the Offeror).
- (l) That no insolvency proceedings have been instigated in accordance with Danish law regarding the Company's assets (other than by the Offeror) and that neither the Board of Directors nor the Executive Management has requested the instigation of such proceedings prior to Completion of the Offer and that the Company has not been dissolved or entered into voluntary liquidation prior to Completion of the Offer.
- (m) That no Material Adverse Change (as defined in Section 11, "Definitions") has occurred and that, during the Offer Period and until Completion of the Offer, the Company has not published or will not publish information the contents of which constitute a Material Adverse Change.

According to the Offer Document, the Offer does not comprise any Shares held by (i) Athena or (ii) Shareholders domiciled in any jurisdiction in which the making or acceptance thereof would not be in compliance with the securities or other laws or regulations of such jurisdiction or would require any registration, approval or filing with any regulatory authority not expressly contemplated by the Offer Document (the "**Restricted Jurisdictions**"). Further, the Offer does not comprise any other financial instruments issued by Athena.

The Offer has been prepared as a voluntary public cash offer pursuant to the Danish Capital Markets Act and the Danish Takeover Order. The Offer, as well as any acceptance thereof, is governed by Danish law. The Offer is subject to disclosure requirements under Danish law, which may be different in material aspects from those applicable in the United States. The Offer is being made in the United States in compliance with Section

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14(e) of, and Regulation 14E promulgated under, the US Securities Exchange Act of 1934, as amended (the "**US Exchange Act**") and otherwise in accordance with Danish law. The Offer is not subject to Section 14(d)(1) of, or Regulation 14D promulgated under, the US Exchange Act and is made with respect to the Shares in reliance on the exemption provided by Rule 14d-1(c) thereunder.

Reference is, moreover, made to the Offer Document in which the terms of the Offer are described in more detail.

### 1.2 The Offeror

For a description of the Offeror and the indirect co-investors in the Offeror group, reference is made to section 8 of the Offer Document.

### 1.3 Background for the Offer and strategic plans

The purpose of the Offer is for the Offeror to acquire all Shares (excluding any Shares held by Athena and Shareholders domiciled in Restricted Jurisdictions) and subsequently to seek a delisting of all Shares from Nasdaq Copenhagen.

In 2019, Athena completed the sale of some of its largest wind and solar assets in Italy and Spain. Additionally, Athena is pursuing some opportunities for the disposal of its remaining portfolio of renewable energy plants. Considering the material reduction of size of the business and the substantial illiquidity of the Shares, the Offeror believes that it would be in the best interest of Athena and its stakeholders to have the Company as a private company to go through a liquidation of the Company or to use the Company for other activities.

The Offeror intends to work with the current employees on substantially unchanged terms. The Offeror does not intend to change the composition of the Board of Directors and the Executive Management.

The registered office of Athena is c/o Harbour House, Sundkrogsgade 21, DK-2100 Copenhagen Ø, Denmark. The location of the Company's principal activities is in Italy where Athena owns wind and solar plants for an aggregate amount of 57 MW installed.

The Offeror intends to effect a compulsory redemption of the remaining Shareholders, if any, of the Company after Completion of the Offer. Also, the Offeror intends to effect a delisting of all Shares from Nasdaq Copenhagen after Completion of the Offer.

The consideration for the Shares to be acquired pursuant to the Offer consists solely of a cash payment and will derive from the Offeror's capital resources and credit lines. The Offeror represents and warrants that it will have the funds required to purchase and pay for all Shares acquired in the Offer pursuant to the terms and conditions of the Offer Document.

In the opinion of the Offeror, no Persons are acting in concert with the Offeror in relation to the Offer.

According to Section 45 of the Danish Capital Markets Act, a shareholder gaining control (as such term is defined in Section 44 of the Danish Capital Markets Act meaning the possession of at least one-third (1/3) of the voting rights attached to shares) in a company, the shares of which are admitted to trading on a regulated market, is obliged to submit a public offer (mandatory offer) for all the remaining shares issued by the company. However, under Section 46(i) of the Danish Capital Markets Act, if the relevant threshold has been reached by means of a voluntary public offer, the voluntary public offer does not need to be followed by a mandatory offer provided that the initial voluntary public offer has been made for all shares in the target company and that the offeror as a result of the voluntary public offer has acquired more than half (1/2) of the voting rights of the company. The Offeror does not expect the completion of the Offer to result in an obligation on the Offeror to submit a subsequent mandatory public offer pursuant to Section 45 of the Danish Capital Markets Act, as the

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Offeror plans to acquire Shares corresponding to more than 90 per cent of the voting rights and the share capital of Athena.

### **1.4 Contractual clauses triggered by an acceptance of the Offer**

Athena has not entered into any material contracts which include clauses that are or may be triggered by the completion of the Offer.

### **1.5 Purpose of this statement**

According to section 22(1) of the Takeover Order, the board of directors of a listed company which is the subject of a public takeover offer shall prepare and make public a statement setting out the board of directors' opinion of the offer and the reasons on which such opinion is based. The board of directors is to provide its views on the effects of accepting the takeover offer on all the company's interests and on the offeror's strategic plans for the target company and their likely consequences for employment and the location of the company's places of business.

This statement is issued by the Athena's Board of Directors for the purpose of complying with the Board of Directors' obligations set out in section 22 of the Takeover Order.

The statement has been prepared in both a Danish and an English language version. In case of any discrepancy between the two versions, the Danish language version will prevail.

This statement is governed by Danish law.

## **2. THE BOARD OF DIRECTORS' ANALYSIS OF THE OFFER**

The Board of Directors has considered a number of factors in relation to the Offer as set out below.

As part of its analysis of the Offer, the Board of Directors has engaged UniCredit as financial advisor which has provided the Board of Directors with an opinion as to the fairness, from a financial point of view, of the Offer Price (the "Fairness Opinion"). Moreover, the Board of Directors has requested the Swedish law firm Mannheimer Swartling to provide an update and assessment regarding the expected procedural course of events and the likely duration of the legal proceedings in respect of the litigation relating to the arbitration cases further described below.

### **2.1 Athena's history and business**

The Company was founded in 1924 and was originally in the banking and financial services business. In 1998, it changed its name into Greentech Energy Systems A/S and started focusing on acquiring and developing renewable energy projects. The Company's business activities have since been focused mainly on production of renewable energy and include operation of renewable energy plants within wind and solar power. In 2017, the Company changed its name to Athena Investments as well as its objects with a view of broadening the future business platform with potential complementary or independent activities. However, as of the date of the Offer Document, no sufficiently suitable and attractive new business opportunities have been identified.

During the most recent years, the Company has gradually reduced its renewable energy activities and geographical distribution, particularly through the sale, approved by a General Assembly resolution, of more than 70 per cent of its renewable energy portfolio in July 2019. The Company's current activities include operation of wind power plants with an installed total net capacity of 45 MW distributed on two wind farms in Sardinia, Italy, and of solar power plants with an installed total net capacity of 12.4 MW distributed on 12 small-sized plants located in Italy. The Company is pursuing opportunities for the disposal of the remaining wind and solar portfolio.

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### 2.2 Corporate matters

Athena is incorporated under the laws of Denmark as a public limited liability company. Athena has one class of shares. The Shares are admitted to trading and official listing on Nasdaq Copenhagen under the symbol "ATHENA" and ISIN securities code DK0010240514.

On the date of the Offer Document, Athena's registered share capital is DKK 533,313,475, divided into shares of nominal DKK 5.00 and multiples thereof. The Shares are traded on Nasdaq Copenhagen in a denomination of DKK 5.00 and, accordingly, 106,662,695 Shares are admitted to trading, corresponding to a nominal value of DKK 5 per Share. The Shares are negotiable instruments and may be freely transferred.

On 31 December 2019, Athena had 4,354 registered Shareholders and held 5,295,314 treasury Shares corresponding to approximately 4.96 per cent of the total share capital. It is not the intention of the Board of Directors to sell, cancel or use the treasury shares in any other matter.

On the date of the Offer Document, Athena had the following major Shareholders (i.e. Shareholders which have notified Athena that they hold five (5) per cent or more of the share capital and the voting rights of Athena pursuant to Section 38 of the Danish Capital Markets Act):

- GWM Renewable Energy II S.r.l. (50.73 per cent)
- SDP RAIF (29.10 per cent)

On the date of the Offer Document, Athena's Board of Directors consists of Peter Høstgaard-Jensen (chairman), Michèle Claudine Bellon and Jean-Marc Lucien Janailhac. The Company's Executive Management consists of Francesco Vittori, CEO.

The Offeror will not pay any remuneration to the Board of Directors or the Executive Management in connection with the Offer except consideration in accordance with the Offer to members of the Board of Directors and the Executive Management if, in their capacity as Shareholders, they will be entitled to receive by accepting the Offer or if they in any other transaction choose to sell their Shares to the Offeror.

### 2.3 Key financial figures and financial guidance

The following key financial figures have been published in the Company's Annual Report for the financial year 2019, and in the Company's latest Interim Financial Report published on 4 August 2020 for the period 1 January 2020 to 30 June 2020:

## Statement by the Board of Directors

HIGHLIGHTS	H1 2020	FY 2019	FY 2018 *	FY 2017	FY 2016
<b>EUR'000</b>					
<b>Income statement</b>					
Revenue	100	386	272	56.443	46.586
Gross profit	100	-78	-306	26.908	20.534
EBITDA **	-2.017	-6.160	-5.501	39.308	30.411
Earnings before interest and tax (EBIT) before impairment	-3.031	-6.202	-5.551	23.023	17.667
Net financials	-31	-905	152	-11.184	-8.522
Profit/loss for the period from Continuing operations	-3.040	-9.721	-6.606	8.808	11.399
Profit/loss for the period from Discontinued operations	-65	-37.031	11.549	-	-5.864
<b>Profit/loss for the period</b>	<b>-3.105</b>	<b>-46.752</b>	<b>4.943</b>	<b>8.808</b>	<b>5.535</b>
<b>Comprehensive income for the period</b>	<b>-2.979</b>	<b>-46.726</b>	<b>6.877</b>	<b>13.164</b>	<b>6.590</b>
<b>Balance sheet</b>					
Non-current assets	13.811	15.841	311.287	335.924	366.550
Current assets	30.164	32.997	90.908	77.546	57.014
Assets classified as held for sale and Discontinued operations	77.845	79.426	1.100	8.975	2.218
<b>Total assets</b>	<b>121.820</b>	<b>128.264</b>	<b>403.295</b>	<b>422.445</b>	<b>425.782</b>
Share capital	71.623	71.623	71.623	71.623	71.623
<b>Equity</b>	<b>70.050</b>	<b>73.005</b>	<b>212.205</b>	<b>209.358</b>	<b>198.421</b>
Non-current liabilities	1.132	422	159.950	180.842	152.796
Current liabilities	831	3.880	31.140	31.557	72.347
Liabilities classified as held for sale and Discontinued operations	49.807	50.957	-	688	2.218
Net working capital (NWC)	2.932	-148	13.412	16.367	14.392
<b>Cash flow</b>					
Cash flow from operating activities	-2.027	12.818	27.099	23.834	16.155
Cash flow from/used in investing activities	-26	62.141	10.152	6.891	3.160
Cash flow from financing activities	-2.003	-103.210	-20.809	-11.275	-13.724
Total cash flow from Continuing operations	-2.992	-89.217	12.290	19.450	7.108
Total cash flow from Discontinued operations	-1.064	60.966	4.151	-	-1.517
<b>Total cash flow</b>	<b>-4.056</b>	<b>-28.251</b>	<b>16.441</b>	<b>19.450</b>	<b>5.591</b>
<b>Key figures</b>					
Gross margin before impairment	N/A	-20,2%	-112,7%	47,7%	44,1%
EBITDA margin **	N/A	N/A	N/A	69,6%	65,3%
EBIT margin	N/A	N/A	N/A	40,8%	37,9%
Equity ratio	57,5%	56,9%	52,6%	49,6%	46,1%
Return on invested capital (ROIC)	-19,7%	-5,5%	-2,0%	6,7%	6,3%
Return on equity	-4,3%	-32,8%	2,3%	4,3%	2,8%
Gearing ratio	-0,4	-0,4	0,4	0,6	0,8
<b>Per share figures</b>					
Average number of shares, 1000 shares	101.367	101.367	101.367	101.367	101.367
Number of shares at the end of the period, 1000 shares	101.367	101.367	101.367	101.367	101.367
Earnings per share (EPS basic), EUR before Discontinued operations	-0,03	-0,10	-0,07	0,09	0,11
Earnings per share (EPS basic), EUR after Discontinued operations	-0,03	-0,46	0,05	0,09	0,05
Net asset value per share, EUR	0,69	0,72	2,09	2,07	1,96
Price/net asset value	0,64	0,69	0,40	0,55	0,45
Actual price earnings (P/E Basic)	neg.	neg.	17,14	13,14	16,08
Dividend per share	-	0,91	0,03	0,02	-
Payout ratio (%)	neg.	neg.	40%	40%	-
Market price, end of the period, EUR	0,4	0,50	0,84	1,14	0,88
Average number of employees	8	28	30	32	52
Number of employees	7	26	29	32	50
Of which consultants	-	1	1	1	1
Of which employees under notice	-	19	-	2	2
<b>Key figures related to operations</b>					
Production in GWh	31,1	267,7	368,5	373,9	372,4
Of which Joint Ventures	-	37,5	55,8	60,5	74,0
Net capacity (MW)	57,4	213,5	213,5	238,6	254,0
Of which Joint Ventures	-	49,5	49,5	49,5	49,5

\* Restated due to IFRS 5 - Discontinued operations (Income statement and Cash flow)

\*\* Operation profit/loss before impairment excluding depreciation, income from investments in Joint Ventures and Special Items

## Statement by the Board of Directors

Based on the latest financial information published on 4 August 2020, the Total Equity of the Group amounts to approximately EUR 70M which corresponds to approx. 5.15 DKK/share. The composition of Athena's equity can be summarized as follows:

EUR'000	H1 2020
<b>TOTAL EQUITY</b>	<b>70,050</b>
of which:	
Cash available	25,447
Wind and Solar portfolio classified as assets held for sale	28,038
Escrow account related to Ardian/Glenmont transaction	10,297
Deferred price related to Ardian/Glenmont transaction	3,500
Loan to EDF Polska	3,300
Provisions	-1,000
Other assets/liabilities	468

In addition to the cash available which amounts to approx. EUR 25.4M as of 30 June 2020, Athena's equity is composed by a certain number of different assets whose value depends, inter alia, on the fulfilment of certain conditions individually described in the following paragraphs.

### *Wind and Solar portfolio classified as assets held for sale*

During 2019, Athena completed the sale to Ardian and Glennmont of a large part of its wind and solar portfolio for a total net capacity of approx. 156 MW. After this transaction, the remaining renewable activities consist of wind and solar plants located in Italy with a total net capacity of approximately 57 MW. As mentioned in the previous paragraphs, Athena is pursuing opportunities for the disposal of the remaining wind and solar portfolio. Based on this and in accordance with IFRS 5 requirements, at the end of 2019 reclassifications have been made to account both the assets sold and the remaining wind and solar portfolio as Assets Held for Sale and Discontinued operations. According to IFRS 5, non-current assets held for sale are measured at the lower between the carrying amount and the fair value less cost to sell. Athena used the average of the preliminary offers received to apply the IFRS 5 requirements.

At the date of this statement, Athena is involved in two different potential sale processes. Both in terms of timing and valuation, the outcome of these processes is very uncertain mainly due to a changed macroeconomic scenario and the current Covid-19 situation. The Company expects to finalise both transactions at the latest during the first half of 2021 negotiating a balanced mix of price and future contractual obligations. The drop in energy price which decreased of 30% compared to 2019 and the current performance of the renewable portfolio which suffered in 2020 from the combined effect of bad weather conditions and some unexpected technical issues, could negatively affect the fair valuation of the assets under disposal.

### *Escrow account related to Ardian/Glenmont transaction*

The escrow account of a nominal value of EUR 12.0M was released in favour of Ardian and Glennmont to cover the potential overall liability of Athena included in the SPA signed on July 2019. The escrow is currently deposited at UBS Bank for a period of 36 months (the expiration date is 25 July 2022): should no guarantees be triggered by Ardian or Glennmont over the period, the amount will be released in favour of Athena. At the beginning of 2020, due to the positive settlement of the claim with Nica Holding related to the Minerva Messina wind farm, Glennmont partially released the Escrow account for EUR 1.0M. As mentioned in the Annual Report

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2019 and in the H1 2020 Interim Financial Report, Athena has received a certain number of claims with a not determinable aggregated amount, which have been duly rejected. Consequently, such claims are not covered by specific reserves. Discussions are still in place to find an agreement with both the counterparties. Additionally, at the date of this statement, Athena cannot assess and guarantee that no additional claims could be received during the remaining guaranteed period. Finally, a potential litigation between Athena and the buyers (e.g. arbitration process) could delay the release of the whole or part of the Escrow account over the stipulated expiration date until the outcome of the potential litigation process is finally determined.

### *Deferred price related to Ardian/Glenmont transaction*

Based on the SPA signed in July 2019 with Ardian and Glenmont, an amount of EUR 3.5M has been initially deducted from the sale price as a form of retention and will be released by Glenmont in favour of Athena at the end of the confiscation procedure regarding some plots of the Minerva Messina wind farm. This confiscation is part of a larger process ongoing in Italy but never disturbed the operations of Athena whatsoever. This retained price will be released upon execution of a binding agreement with the National Agency for the Administration of Assets Seized from Organized Crime providing an assignment in favour of Minerva Messina of the real estate rights of confiscated areas. Athena expects to sign the agreement during 2021, since the Covid-19 situation slowed down the process. It is noted that, should no real estate rights be obtained, the Deferred price will be paid in an amount of approximately EUR 0.5M/year starting from 2024.

### *Loan to EDF EN Polska*

In 2016, Athena and EDF Energies Nouvelles (through its subsidiary EDF EN Polska) entered into an agreement for the sale of Athena's Polish wind projects under development. Based on the SPA signed, EDF EN Polska acquired Athena's projects for a total expected capacity of 105 MW and recognised to Athena the costs spent by Athena at that time through a credit that will be paid or converted into a minority stake in the projects if and when the projects will become operational. In 2019, Athena recognised a write-down of EUR 0.3M after the payment received in February 2020 from EDF EN Polska of EUR 1.2M related to the positive outcome of the Ustka and Parnowo development process. The remaining payment of EUR 3.3M is subject to the positive outcome of the development phase (including the auction necessary to obtain the feed-in-tariff) of the Smolecin wind project which is expected not earlier than the next 24 months.

### *Arbitration cases*

In addition to the above-mentioned assets and liabilities already included in Athena's financial statements, the Company has potential contingent assets related to the two Arbitration Awards against Spain and Italy which have been challenged and are currently under appeal before the SVEA Court and, consequently, could not be still recognised to Athena's accounts.

The Board of Directors has requested the Swedish primary law firm, Mannheimer Swartling, assisting the Company in connection with the pending litigation to provide an update and assessment regarding such pending litigation which can be summarized as follows:

In 2018, the Company was granted final Awards for both arbitrations with a positive outcome (see Company Announcements No. 17/2018 and No. 21/2018). Both the Kingdom of Spain and the Republic of Italy have subsequently commenced an action with the SVEA Court of Appeal in order to overturn such Awards. The Company is still challenging such appeals.

#### Spain:

At the end of October 2020, the Svea Court of Appeal issued a decision by which it denied Spain's request that a referral be made to the EU Court of Justice (CJEU) and allowed the EU Commission to intervene in the challenge proceedings by way of a written submission to be provided in the second half of December 2020.

## Statement by the Board of Directors

Thus, the appeal will continue in front of the SVEA Court with an estimated time frame for final judgments of approximately 1.5 – 5 years, with the most likely range being 3 – 3.5 years.

The best-case scenario reflects a process with no further substantial submissions, delays or postponements and an expected judgment in Q2 2022. If leave to appeal to the Supreme Court is granted, a judgment can be expected in late 2023 and, if referral is made to the CJEU, in 2025.

### Italy:

On the basis of the SVEA Court's decision regarding Spain, Athena deems it likely that the Court of Appeal will also deny Italy's request for a referral in this case.

The time frame estimates for Spain apply also to the case against Italy, provided that the Court of Appeal renders a decision on the referral issue before the end of 2020. A delay in issuing that decision will likely cause a corresponding delay in the subsequent procedural steps.

Considering that there are no similar cases already solved, at the date of this statement, both proceedings still remain unpredictable both in terms of timing and final outcome.

In the meanwhile, the Company is still pursuing the confirmation procedure of the Awards according to the 1958 New York Convention for further enforcement. Nevertheless, as the appeals are still pending, the confirmation procedure has been suspended. Accordingly, even if and when the Company may succeed in both the appeals pending before the SVEA Court, the confirmation procedure and the corresponding execution and enforcement processes may face considerable uncertainties and further significant delays.

## **2.4 Athena's prospects for the financial year 2020**

Athena's prospects for the financial year 2020 was included in the Annual Report for 2019 (p.9), section "Outlook for 2020". The expectations of Athena for the financial year 2020 are based on estimates and assumptions prepared in accordance with the recognition and measurement requirements of the International Financial Reporting Standards (IFRS) and the ordinary internal procedures for preparing the forecasts of the Company.

The key assumptions underlying the financial outlook of the Company for 2020 are:

- Disposal of the remaining portfolio and implementation of new business.
- Improvement in Holding costs.

More specifically, the estimates are based on the following assumptions:

- Despite Athena is looking for new opportunities with a view to re-focusing its business, no new business has been included in the Outlook 2020. The remaining wind and solar assets are classified as Discontinued operations.
- At the end of 2019, Athena implemented a restructuring process with the purpose to reduce the operating costs and lessen the holding cost structure. After that process, Athena expects a cost saving of approx. EUR 2.0M on a yearly basis excluding potential one-off expenses.

The Outlook for 2020 is negatively impacted by the portfolio disposal in the year and by the Discontinued operations. In 2020, EBITDA should result negative for approx. EUR 3.0M - 4.0M which represents the new level of Athena's holding costs, sufficient to develop and manage potential new business and/or the progressive disposal of Athena's activities. The implementation and consolidation of new business will modify the main key financial indicators of the Group.

## Statement by the Board of Directors

Furthermore, in Athena's Interim Financial Report for H1 2020, guidance for the financial year 2020 was revised as follows:

OUTLOOK	Actual 2018 *	Actual 2019	Original Outlook (Mar. 2020)	Revised Outlook (Aug. 2020)
MEUR				
<b>EBITDA</b>	-5,5	-6,2	-3.0 /-4.0	<b>-4.5 /-5.5</b>
<b>NET RESULT</b>	4,9	-46,8	-3.0 /-4.0	<b>-4.5 /-5.5</b>

\* Restated due to IFRS 5 - Discontinued operations

The revised outlook is mainly related to an expected contingency of EUR 1.0M classified as Special Item in the H1 2020 Financial Statements.

Considering the expected Net Result as included in the revised outlook published on 4 August 2020, the Total equity of the Group at year-end 2020 should amount to approximately EUR 67.5M corresponding to approximately 4.96 DKK/share. This amount does not include potential downsides related to the disposal processes as mentioned in the previous paragraphs.

### 3. THE BOARD OF DIRECTORS' ASSESSMENT OF ADVANTAGES AND DISADVANTAGES OF THE OFFER

The Board of Directors has considered a number of factors in relation to the Offer as set out below.

#### 3.1 The Offer Price

The table below shows the Offer Price compared to the market price on Nasdaq Copenhagen during certain historic periods.

Date/Period	Price per share (DKK)	Offer Price premium (%)
Closing price on 14 October 2020 (*)	<b>3.16</b>	<b>17%</b>
30-days weighted average for the period ending on (and including) 14 October 2020	<b>3.15</b>	<b>17%</b>
90-days weighted average for the period ending on (and including) 14 October 2020	<b>3.23</b>	<b>14%</b>

(\*) 14 October 2020 was the last trading day on Nasdaq Copenhagen prior to the announcement made by Fidim

## Statement by the Board of Directors

### 3.2 Advantages to the Shareholders

The Board of Directors finds that the Offer provides the following advantages to the Shareholders:

- The Offer Price represents a premium in a range of approximately 14-17 per cent compared to the market price on Nasdaq Copenhagen during certain historic periods up to 90 trading days before the announcement made by FIDIM SRL on 15 October 2020.
- Despite the Offer Price is lower than Athena's total equity expected at year-end 2020 (approx. -25%), it represents a valid value proposition compared to strategic alternatives available to Athena's shareholders, in particular, considering the illiquidity of the Athena share price and the historical shareholder structure of the Company.
- The acceptance of the Offer price covers the Athena shareholders from the potential downsides related to the different assets whose value depends on the fulfilment of certain conditions which could further depress the market value of the Company.
- The Offer is only subject to a limited number of customary conditions as set forth in the Offer Document.
- The Offer is not subject to due diligence.
- The Offer Price to the Shareholders is paid in cash (as opposed to securities or otherwise) and the Offer is fully funded.

### 3.3 Disadvantages to the Shareholders

The Board of Directors finds that the Offer provides the following disadvantages to the Shareholders:

- After completion of the Offer (including a possible delisting of the Shares from Nasdaq Copenhagen and a compulsory redemption of the remaining Shareholders), no Shareholder will have the opportunity to participate in any potential future value increase of Athena.
- Shareholders will generally be taxed on any gain realised should they choose to tender their Shares, which may result in advanced taxation. As the tax consequences of accepting the Offer will depend on the individual tax position of each Shareholder, Shareholders are recommended to evaluate their own individual tax position and, if necessary, consult with their own professional advisers.

### 3.4 Effects of the Offer on the Company's interests and employment situation

In the opinion of the Board of Directors, the following stated intentions (as listed in the Offer Document) may have an impact on the Company's interests:

- The purpose of the Offer is for the Offeror to acquire all Shares (excluding any Shares held by Athena and Shareholders domiciled in Restricted Jurisdictions) and subsequently to seek a delisting of all Shares from Nasdaq Copenhagen.
- Considering the significant reduction of size of the business and the substantial illiquidity of the Shares, the Offeror believes that it would be in the best interest of Athena and its stakeholders to have the Company to go through a liquidation as an unlisted company or to use the Company for other activities.
- The Offeror intends to work with the current employees on substantially unchanged terms.
- The Offeror does not intend to change the composition of the Board of Directors and the Executive Management.
- The Offeror intends to effect a compulsory redemption of the remaining Shareholders of the Company after Completion of the Offer.

## 4. DISCLOSURE OF CERTAIN INTERESTS

Members of the Executive Management and/or the Board of Directors have shares in the Company as indicated in the Annual Report for 2019 (page 30).

## Statement by the Board of Directors

Neither the members of the Board of Directors nor the members of the Executive Management have any direct or indirect ownership interests in Fidim.

According to the Offer Document, the Offeror will not pay any remuneration to the Board of Directors or the Executive Management in connection with the Offer except consideration in accordance with the Offer to members of the Board of Directors and the Executive Management if, in their capacity as Shareholders, they will be entitled to receive by accepting the Offer or if they in any other transaction choose to sell their Shares to the Offeror. There are no other incentives for the Board of Directors in connection with the Offer.

### 5. RECOMMENDATION TO THE SHAREHOLDERS

The following recommendation shall be read in conjunction with the full statement.

Taking into consideration the advantages and disadvantages of the Offer and considering the other matters analysed and assessed in this statement, including the Fairness Opinion, the Board of Directors has concluded that:

- The offer from Fidim of 3.7 DKK per share in cash is lower than Athena's current book value, but it must be taken into consideration that:
  - the book value is based on an "asset-side" valuation. From a shareholder's perspective, an "equity-side" approach should be considered in order to estimate the discounted dividend's flow by using a discount rate that should include, among other things, the implicit risk of the Company's activities;
  - the fair value of the Wind and Solar assets currently under disposal could be affected by the decrease in energy price suffered in 2020 and by the negative performance of the renewable portfolio registered during the year;
  - regarding the Escrow account released in favour of Ardian and Glennmont, the Board of Directors cannot assess nor guarantee that no additional claims could be received during the remaining guaranteed period. Additionally, it is worth mentioning that a potential litigation between Athena and the buyers (e.g. arbitration process) could delay the release of the Escrow account over the expiration date until the outcome of the potential litigation process;
  - both the Deferred price related to the Minerva Messina wind farm and the Loan to EDF Polska are subject to the fulfilment of some exogenous conditions which are not depending on the Company.
- Nevertheless, the offer from Fidim of 3.7 DKK per share would appear to represent a fair price considering the illiquidity of the Athena shares on the market and the historical trend of Athena's share price. The Board of Directors considers that the shares of Athena Investments A/S have generally had a very low trading liquidity in the market and, therefore, the Offer may represent a particular opportunity for the shareholders to sell their position in a listed company with very low liquidity without a potential further adverse impact on the share price.
- The Board of Directors does not see any secure upside for the Company in the near future, considering an estimated time frame for final judgments of the current litigation in connection with the two Arbitration cases of approximately 1.5 – 5 years and additional extended and uncertain proceedings for the confirmation/execution procedure. From a financial perspective, the potential value of the Arbitration proceeds, net of costs and fiscal consequences and duly discounted through a proper discount rate, has been considered to be rather limited.

Based on the above, the Board of Directors has unanimously decided to recommend the Shareholders to accept the Offer.