

CII PCL Holding K/S

Amerika Plads 29
2100 Copenhagen
CVR No. 29823510

Annual report 2021

The Annual General Meeting adopted the
annual report on 17.06.2022

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Casper Gordon Christiansen
Chairman of the General Meeting

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Entity details

Entity

CII PCL Holding K/S

Amerika Plads 29

2100 Copenhagen

Business Registration No.: 29823510

Date of foundation: 18.10.2013

Registered office: Copenhagen

Financial year: 01.01.2021 - 31.12.2021

Executive Board

Christina Grumstrup Sørensen

Mads Skovgaard-Andersen

Jakob Baruël Poulsen

Christian Troels Skakkebæk

Torsten Lodberg Smed

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 Copenhagen S

Statement by Management on the annual report

The Executive Board has today considered and approved the annual report of CII PCL Holding K/S for the financial year 01.01.2021 - 31.12.2021.

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

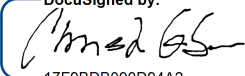
In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2021 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2021 - 31.12.2021.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, 31.05.2022

Executive Board

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Christina Grumstrup Sørensen

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Mads Skovgaard-Andersen

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Jakob Baruel Poulsen

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Christian Troels Skakkebæk

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Torsten Lodberg Smed

Independent auditor's report

To the shareholders of CII PCL Holding K/S

Opinion

We have audited the consolidated financial statements and the parent financial statements of CII PCL Holding K/S for the financial year 01.01.2021 - 31.12.2021, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as the Parent, and the consolidated cash flow statement. The consolidated financial statements and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2021 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2021 - 31.12.2021 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 consolidated financial statements and the parent financial statements" section of this auditor's 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.

Management's responsibilities for the consolidated financial statements and the parent financial statements

Management is responsible for the preparation of consolidated financial statements and parent 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 consolidated financial statements and parent financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and the parent financial statements, Management is responsible for assessing the Group's and the Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the consolidated financial statements and the parent financial statements unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent 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 consolidated financial statements and parent financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements and the parent 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 Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the consolidated financial statements and the parent 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 Entity'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 consolidated financial statements and the parent 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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent 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.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the consolidated financial statements and the parent financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements and the parent financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the consolidated financial statements and the parent financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

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

Copenhagen, 31.05.2022

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Michael Thorø Larsen

State Authorised Public Accountant
Identification No (MNE) mne35823

Anders Houmann

State Authorised Public Accountant
Identification No (MNE) mne46265

Management commentary

Financial highlights

	2021	2020	2019	2018	2017
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
Key figures					
Gross profit/loss	(3,875)	(4,046)	(3,319)	(7,442)	(115)
Operating profit/loss	(3,875)	(4,046)	(3,319)	(7,442)	(115)
Net financials	(71,617)	(362,815)	75,451	(119,154)	21,838
Profit/loss for the year	45,428	(366,861)	72,022	(126,596)	21,723
Balance sheet total	30,231	2,455,107	3,012,855	2,911,353	3,123,837
Equity	28,792	142,504	572,886	618,088	736,482
Ratios					
Return on equity (%)	53.04	(102.56)	12.09	(18.69)	2.90
Equity ratio (%)	95.24	5.80	19.01	21.23	23.58

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the CFA Society Denmark.

Return on equity (%):

$\frac{\text{Profit/loss for the year} * 100}{\text{Average equity}}$

Average equity

Equity ratio (%):

$\frac{\text{Equity} * 100}{\text{Balance sheet total}}$

Balance sheet total

Primary activities

The Company and Group's main activity is to invest in infrastructure and energy assets and other businesses related hereto.

Development in activities and finances

The Company has realised a profit of DKK 45,427 thousand compared with a loss of DKK 367,187 thousand last year.

The Group has realised a profit of DKK 45,428 thousand compared with a loss of DKK 366,861 thousand last year.

Profit/loss for the year in relation to expected developments

The development in the financial year's activities is as expected.

Outlook

In 2021, the Group divested its underlying investment projects, hence, the remaining subsidiaries are expected to be liquidated during 2022, and distribute the excess liquidity.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Consolidated income statement for 2021

	Notes	2021 DKK'000	2020 DKK'000
Gross profit/loss		(3,875)	(4,046)
Income from investments in group enterprises		120,920	0
Other financial income	1	106,907	246,236
Impairment losses on financial assets		0	(434,406)
Other financial expenses	2	(178,524)	(174,645)
Profit/loss for the year	3	45,428	(366,861)

Consolidated balance sheet at 31.12.2021

Assets

	Notes	2021 DKK'000	2020 DKK'000
Investments in group enterprises		0	0
Receivables from associates		0	2,259,171
Investments in participating interests		0	173,640
Financial assets	4	0	2,432,811
Fixed assets		0	2,432,811
Receivables from group enterprises		8,011	0
Other receivables		1,178	291
Receivables		9,189	291
Investments in group enterprises		6,442	0
Investments		6,442	0
Cash		14,600	22,005
Current assets		30,231	22,296
Assets		30,231	2,455,107

Equity and liabilities

	Notes	2021 DKK'000	2020 DKK'000
Contributed capital		768,447	768,447
Retained earnings		(739,655)	(625,943)
Equity		28,792	142,504
Other provisions	5	1,321	0
Provisions		1,321	0
Mortgage debt		0	1,830,670
Payables to group enterprises		0	402,466
Non-current liabilities other than provisions		0	2,233,136
Current portion of non-current liabilities other than provisions		0	78,247
Other payables		118	1,220
Current liabilities other than provisions		118	79,467
Liabilities other than provisions		118	2,312,603
Equity and liabilities		30,231	2,455,107
Contingent liabilities	7		
Transactions with related parties	8		
Subsidiaries	9		

Consolidated statement of changes in equity for 2021

	Contributed capital DKK'000	Retained earnings DKK'000	Proposed extraordinary dividend DKK'000	Total DKK'000
Equity beginning of year	768,447	(625,943)	0	142,504
Extraordinary dividend paid	0	0	(303,212)	(303,212)
Fair value adjustments of hedging instruments	0	144,072	0	144,072
Profit/loss for the year	0	(257,784)	303,212	45,428
Equity end of year	768,447	(739,655)	0	28,792

There are special dividend rights attached to specific share classes. The contributed capital for the Parent company is divided into the share classes A-G. In the parent company CII PCL Holding K/S and the subsidiaries CII PCL ApS and CII PCL Holding II ApS there are special dividend rights attached to specific share classes.

Consolidated cash flow statement for 2021

	Notes	2021 DKK'000	2020 DKK'000
Operating profit/loss		(3,875)	(4,046)
Working capital changes	6	(10,000)	(1,616)
Cash flow from ordinary operating activities		(13,875)	(5,662)
Financial income received		42,692	92,544
Financial expenses paid		(32,613)	(93,230)
Cash flows from operating activities		(3,796)	(6,348)
Dividends received		120,920	0
Loans		2,424,341	126,818
Cash flows from investing activities		2,545,261	126,818
Free cash flows generated from operations and investments before financing		2,541,465	120,470
Repayments of loans etc.		(2,245,658)	(196,760)
Dividend paid		(303,212)	0
Cash flows from financing activities		(2,548,870)	(196,760)
Increase/decrease in cash and cash equivalents		(7,405)	(76,290)
Cash and cash equivalents beginning of year		22,005	98,295
Cash and cash equivalents end of year		14,600	22,005
Cash and cash equivalents at year-end are composed of:			
Cash		14,600	22,005
Cash and cash equivalents end of year		14,600	22,005

Notes to consolidated financial statements

1 Other financial income

	2021 DKK'000	2020 DKK'000
Financial income from associates	70,892	196,645
Other financial income	36,015	49,591
	106,907	246,236

2 Other financial expenses

	2021 DKK'000	2020 DKK'000
Financial expenses from group enterprises	14,935	26,023
Exchange rate adjustments	24,617	56,339
Other financial expenses	138,972	92,283
	178,524	174,645

3 Proposed distribution of profit/loss

	2021 DKK'000	2020 DKK'000
Extraordinary dividend distributed in the financial year	303,212	0
Retained earnings	(257,784)	(366,861)
	45,428	(366,861)

4 Financial assets

	Investments in group enterprises DKK'000	Receivables from associates DKK'000
Cost beginning of year	800,732	1,708,557
Transfers	(800,732)	0
Cost end of year	0	1,708,557
Revaluations beginning of year	(627,092)	550,614
Exchange rate adjustments	0	94,670
Transfers	794,290	0
Impairment losses for the year	(167,198)	0
Other adjustments	0	70,500
Reversal regarding disposals	0	(2,424,341)
Revaluations end of year	0	(1,708,557)
Carrying amount end of year	0	0

The investment in CI Power Corporation Ltd. has been transferred to receivables from group enterprises, due to expectations of the company getting liquidated in 2022, the value is entirely a reflection of the expected liquidation proceeds.

The Company has thus been omitted from the consolidation with reference to the Financial Statements Act §114.

5 Other provisions

Other provisions consists of guarantees regarding the BPCL divestment. It is not expected that the provision is due within a year.

6 Changes in working capital

	2021 DKK'000	2020 DKK'000
Increase/decrease in receivables	(8,898)	(291)
Increase/decrease in trade payables etc.	(1,102)	(1,325)
	(10,000)	(1,616)

7 Contingent liabilities

Except from the provision described in note 5, there are no guarantees or contingent liabilities of the Group.

8 Transactions with related parties

Only related party transactions not conducted on an arm's length basis are disclosed in the financial statements. All related party transactions during the financial year have been conducted on an arm's length basis.

9 Subsidiaries

	Registered in	Corporate form	Ownership %	Equity DKK'000	Profit/loss DKK'000
CII PCL	Copenhagen	ApS	100.00	7,016	120,429
CII PCL Holding II	Copenhagen	ApS	100.00	6,802	120,369
CI Power Corporation	London	Ltd.	100.00	-	-

CI Power Corporation Ltd. has been omitted from the consolidation with reference to the Danish Financial Statements Act §114.

Parent income statement for 2021

	Notes	2021 DKK'000	2020 DKK'000
Gross profit/loss		(3,366)	(3,900)
Income from investments in group enterprises		287,183	0
Other financial income	1	106,907	246,236
Impairment losses on financial assets		(166,813)	(434,883)
Other financial expenses	2	(178,484)	(174,640)
Profit/loss for the year	3	45,427	(367,187)

Parent balance sheet at 31.12.2021

Assets

	Notes	2021 DKK'000	2020 DKK'000
Investments in group enterprises		6,802	173,615
Receivables from associates		0	2,259,171
Financial assets	4	6,802	2,432,786
Fixed assets		6,802	2,432,786
Receivables from group enterprises		8,164	67
Other receivables		1,179	291
Receivables		9,343	358
Cash		12,704	21,901
Current assets		22,047	22,259
Assets		28,849	2,455,045

Equity and liabilities

	Notes	2021 DKK'000	2020 DKK'000
Contributed capital		768,447	768,447
Retained earnings		(739,654)	(625,941)
Equity		28,793	142,506
Mortgage debt		0	1,830,670
Payables to group enterprises		0	402,466
Non-current liabilities other than provisions		0	2,233,136
Current portion of non-current liabilities other than provisions		0	78,247
Other payables		56	1,156
Current liabilities other than provisions		56	79,403
Liabilities other than provisions		56	2,312,539
Equity and liabilities		28,849	2,455,045
Employees	5		
Contingent liabilities	6		

Parent statement of changes in equity for 2021

	Contributed capital DKK'000	Retained earnings DKK'000	Proposed extraordinary dividend DKK'000	Total DKK'000
Equity beginning of year	768,447	(625,941)	0	142,506
Extraordinary dividend paid	0	0	(303,212)	(303,212)
Fair value adjustments of hedging instruments	0	144,072	0	144,072
Profit/loss for the year	0	(257,785)	303,212	45,427
Equity end of year	768,447	(739,654)	0	28,793

There are special dividend rights attached to specific share classes. The contributed capital for the Company is divided into the share classes A-G.

Notes to parent financial statements

1 Other financial income

	2021 DKK'000	2020 DKK'000
Financial income from associates	70,892	196,645
Other financial income	36,015	49,591
	106,907	246,236

2 Other financial expenses

	2021 DKK'000	2020 DKK'000
Financial expenses from group enterprises	14,935	26,023
Exchange rate adjustments	24,617	56,339
Other financial expenses	138,932	92,278
	178,484	174,640

3 Proposed distribution of profit and loss

	2021 DKK'000	2020 DKK'000
Extraordinary dividend distributed in the financial year	303,212	0
Retained earnings	(257,785)	(367,187)
	45,427	(367,187)

4 Financial assets

	Investments in group enterprises DKK'000	Receivables from associates DKK'000
Cost beginning of year	801,184	1,708,557
Cost end of year	801,184	1,708,557
Revaluations beginning of year	(627,569)	550,614
Exchange rate adjustments	0	94,670
Impairment losses for the year	(166,813)	0
Other adjustments	0	70,500
Reversal regarding disposals	0	(2,424,341)
Revaluations end of year	(794,382)	(1,708,557)
Carrying amount end of year	6,802	0

A specification of investments in subsidiaries is evident from the notes to the consolidated financial statements.

5 Employees

The Company has no employees.

The Management has not received remunerations.

6 Contingent liabilities

There are no guarantees or contingent liabilities of the Company.

Accounting policies

Reporting class

This annual report has been prepared in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (medium).

The accounting policies applied to these consolidated financial statements and parent financial statements are consistent with those applied last year.

Reporting currency is Danish Kroner (DKK).

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Consolidated financial statements

The consolidated financial statements comprise the Parent and the group enterprises (subsidiaries) that are controlled by the Parent. Control is achieved by the Parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising controlling influence. Enterprises in which the Group, directly or indirectly, holds between 20% and 50% of the voting rights and exercises significant, but not controlling, influence are regarded as associates.

CI Power Corporation Ltd. has been omitted from the consolidation with reference to the Danish Financial Statements Act §114, due to the company getting liquidated in 2022, hence the value is an expression of the expected liquidation proceeds.

Basis of consolidation

The consolidated financial statements are prepared on the basis of the financial statements of the Parent and its subsidiaries. The consolidated financial statements are prepared by combining uniform items. On consolidation, intra-group income and expenses, intra-group accounts and dividends as well as profits and losses on transactions between the consolidated enterprises are eliminated. The financial statements used for consolidation have been prepared applying the Group's accounting policies.

Subsidiaries' financial statement items are recognised in full in the consolidated financial statements. Investments in subsidiaries are offset at the pro rata share of such subsidiaries' net assets at the acquisition date, with net assets having been calculated at fair value.

Income statement

Gross profit or loss

Gross profit or loss comprises other external expenses.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities.

Income from investments in group enterprises

Income from investments in group enterprises comprises dividends etc. received from the individual group enterprises in the financial year.

Other financial income

Other financial income comprises interest income and net exchange rate adjustments on transactions in foreign currencies and interest expenses etc. from receivables from associates.

Impairment losses on financial assets

Impairment losses on financial assets comprises impairment losses on financial assets which are not measured at fair value on a current basis.

Other financial expenses

Other financial expenses comprise interest expenses net exchange rate adjustments on transactions in foreign currencies and interest expenses etc from payables to group enterprises.

Balance sheet

Investments in group enterprises

Investments in group enterprises are measured at cost. Investments are written down to the lower of recoverable amount and carrying amount.

Investments in participating interests

Investments in participating interests are measured at cost. Investments are written down to the lower of recoverable amount and carrying amount.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value, less writedowns for bad and doubtful debts.

Investments in group enterprises (current assets)

Investments in group enterprises are measured at cost. Investments are written down to the lower of recoverable amount and carrying amount.

Cash

Cash comprises cash in bank deposits.

Dividend

Extraordinary dividend adopted in the financial year is recognised directly in equity when distributed and disclosed as a separate item in Management's proposal for distribution of profit/loss.

Other provisions

Other provisions comprise anticipated costs of non-recourse guarantee commitments.

Other provisions are recognised and measured as the best estimate of the expenses required to settle the liabilities at the balance sheet date. Provisions that are estimated to mature more than one year after the balance sheet date are measured at their discounted value.

Non-recourse guarantee commitments comprise commitments to remedy defects and deficiencies within the guarantee period.

Once it is probable that total costs will exceed total income from a contract in progress, provision is made for the total loss estimated to result from the relevant contract.

Mortgage debt

At the time of borrowing, mortgage debt to mortgage credit institutions is measured at cost which corresponds to the proceeds received less transaction costs incurred. Mortgage debt is subsequently measured at amortised cost. This means that the difference between the proceeds at the time of borrowing and the nominal repayable amount of the loan is recognised in the income statement as a financial expense over the term of the loan applying the effective interest method.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Cash flow statement

The cash flow statement shows cash flows from operating, investing and financing activities, and cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes and taxes paid.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises, activities and fixed asset investments.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs, and the raising of loans, repayments of interest-bearing debt, purchase of treasury shares and payment of dividend.

Cash and cash equivalents comprise cash and short-term securities with an insignificant price risk less short-term bank loans.