

CII PCL Holding K/S

Amerika Plads 29
2100 Copenhagen
CVR No. 29823510

Annual report 2020

The Annual General Meeting adopted the
annual report on 25.06.2021

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Thomas Hinrichsen

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: 01.01.2020 - 31.12.2020

Executive Board

Mads Skovgaard-Andersen

Christina Grumstrup Sørensen

Christian Troels Skakkebæk

Torsten Lodberg Smed

Jakob Baruël Poulsen

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 01.01.2020 - 31.12.2020

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 31.12.2020 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2020 - 31.12.2020.

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, 25.06.2021

Executive Board


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Mads Skovgaard-Andersen

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Christina Grumstrup Sørensen

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Christian Troels Skakkebæk

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Torsten Lodberg Smed

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Jakob Baruel Poulsen

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 01.01.2020 - 31.12.2020, 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 31.12.2020 and of the results of their operations and the consolidated cash flows for the financial year 01.01.2020 - 31.12.2020 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 of Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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 and 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, 25.06.2021

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

**Bill Haudal Pedersen**

State Authorised Public Accountant
Identification No (MNE) mne30131

**Michael Thorø Larsen**

State Authorised Public Accountant
Identification No (MNE) mne35823

Management commentary

Financial highlights

	2020	2019	2018	2017	2016
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
Key figures					
Gross profit/loss	(4,046)	(3,319)	(7,442)	(115)	(48)
Operating profit/loss	(4,046)	(3,319)	(7,442)	(115)	(48)
Net financials	(362,815)	75,451	(119,154)	21,838	(89)
Profit/loss for the year	(366,861)	72,022	(126,596)	21,723	(137)
Balance sheet total	2,455,107	3,012,855	2,911,353	3,123,837	2,737,334
Equity	142,504	572,886	618,088	736,482	768,203
Ratios					
Return on equity (%)	(102.6)	12.1	(18.7)	2.9	0.0
Equity ratio (%)	5.8	19.0	21.2	23.6	28.1

The financial highlights represents key figures and ratios for the Group.

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

Return on equity (%):

Profit/loss for the year * 100

Average equity

Equity ratio (%):

Equity * 100

Total assets

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 loss of DKK 367,187 thousand compared with a profit of DKK 92,715 thousand last year.

The Group has realised a loss of DKK 366,861 thousand compared with a profit of DKK 72,022 thousand last year.

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

Uncertainty relating to recognition and measurement

The Group's expected development depends on the earnings in the investments in associates.

Outlook

Management expects a positive result in 2021, in the range of EUR 100,000 - 150,000 thousand.

Events after the balance sheet date

After the balance sheet date the Company's investment in BPCL has been divested.

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

Consolidated income statement for 2020

	Notes	2020 DKK'000	2019 DKK'000
Gross profit/loss	1	(4,046)	(3,319)
Other financial income	2	246,236	200,016
Impairment of financial assets		(434,406)	0
Other financial expenses	3	(174,645)	(124,565)
Profit/loss before tax		(366,861)	72,132
Tax on profit/loss for the year		0	(110)
Profit/loss for the year	4	(366,861)	72,022

Consolidated balance sheet at 31.12.2020

Assets

	Notes	2020 DKK'000	2019 DKK'000
Receivables from associates		2,259,171	2,306,514
Investments in participating interests		173,640	608,046
Financial assets	5	2,432,811	2,914,560
Fixed assets		2,432,811	2,914,560
Other receivables		291	0
Receivables		291	0
Cash		22,005	98,295
Current assets		22,296	98,295
Assets		2,455,107	3,012,855

Equity and liabilities

	Notes	2020 DKK'000	2019 DKK'000
Contributed capital		768,447	768,447
Retained earnings		(625,943)	(195,561)
Equity		142,504	572,886
Mortgage debt		1,830,670	2,090,696
Payables to group enterprises		402,466	269,222
Non-current liabilities other than provisions	6	2,233,136	2,359,918
Current portion of non-current liabilities other than provisions	6	78,247	77,506
Other payables		1,220	2,545
Current liabilities other than provisions		79,467	80,051
Liabilities other than provisions		2,312,603	2,439,969
Equity and liabilities		2,455,107	3,012,855
Financial instruments	8		
Contingent liabilities	9		
Transactions with related parties	10		
Subsidiaries	11		

Consolidated statement of changes in equity for 2020

	Contributed capital DKK'000	Retained earnings DKK'000	Total DKK'000
Equity beginning of year	768,447	(195,561)	572,886
Fair value adjustments of hedging instruments	0	(63,521)	(63,521)
Profit/loss for the year	0	(366,861)	(366,861)
Equity end of year	768,447	(625,943)	142,504

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 2020

	Notes	2020 DKK'000	2019 DKK'000
Operating profit/loss		(4,046)	(3,319)
Working capital changes	7	(1,616)	(394)
Cash flow from ordinary operating activities		(5,662)	(3,713)
Financial income received		92,544	159,426
Financial expenses paid		(93,230)	(109,249)
Cash flows from operating activities		(6,348)	46,464
Loans		126,818	0
Cash flows from investing activities		126,818	0
Free cash flows generated from operations and investments before financing		120,470	46,464
Repayments of loans etc.		(196,760)	(55,361)
Dividend paid		0	(62,362)
Cash flows from financing activities		(196,760)	(117,723)
Increase/decrease in cash and cash equivalents		(76,290)	(71,259)
Cash and cash equivalents beginning of year		98,295	169,554
Cash and cash equivalents end of year		22,005	98,295
Cash and cash equivalents at year-end are composed of:			
Cash		22,005	98,295
Cash and cash equivalents end of year		22,005	98,295

Notes to consolidated financial statements

1 Gross profit/loss

The Group has no employees.

The Management has not received remunerations.

2 Other financial income

	2020 DKK'000	2019 DKK'000
Financial income from associates	196,645	199,600
Other financial income	49,591	416
	246,236	200,016

3 Other financial expenses

	2020 DKK'000	2019 DKK'000
Financial expenses from group enterprises	26,023	23,045
Other financial expenses	148,622	101,520
	174,645	124,565

4 Proposed distribution of profit/loss

	2020 DKK'000	2019 DKK'000
Extraordinary dividend distributed in the financial year	0	62,362
Retained earnings	(366,861)	9,660
	(366,861)	72,022

5 Financial assets

	Receivables from associates DKK'000	Investments in participating interests DKK'000
Cost beginning of year	1,708,557	800,732
Cost end of year	1,708,557	800,732
Revaluations beginning of year	597,957	(192,686)
Exchange rate adjustments	(141,124)	0
Impairment losses for the year	0	(434,406)
Other adjustments	196,645	0
Reversal regarding disposals	(102,864)	0
Revaluations end of year	550,614	(627,092)
Carrying amount end of year	2,259,171	173,640

Other adjustments to receivables from associates comprise interest.

Investments in participating interests	Registered in	Ownership %
BWSC Power Corporation Limited	London	66

6 Non-current liabilities other than provisions

	Due within 12 months 2020 DKK'000	Due within 12 months 2019 DKK'000	Due after more than 12 months 2020 DKK'000	Outstanding after 5 years 2020 DKK'000
Mortgage debt	78,247	77,506	1,830,670	1,318,213
Payables to group enterprises	0	0	402,466	402,466
	78,247	77,506	2,233,136	1,720,679

7 Changes in working capital

	2020 DKK'000	2019 DKK'000
Increase/decrease in receivables	(291)	0
Increase/decrease in trade payables etc.	(1,325)	(394)
	(1,616)	(394)

8 Derivative financial instruments

The Group mitigates interest rate risk using interest rate swaps, whereby variable interest payments are swapped into fixed interest payments.

The hedged cash flows are expected to be realized and will affect the result over the residual maturity of the interest rate swap.

	Exposure DKK'000	Value adjustment recognised directly equity DKK'000	Fair value DKK'000	Maturity
Swaps	1,459,359	(63,521)	(150,023)	31-03-2034

9 Contingent liabilities

There are no guarantees or contingent liabilities of the Group.

10 Transactions with related parties

	Parent DKK'000
Loan from Copenhagen Infrastructure I K/S	399,220
Interest to Copenhagen Infrastructure I K/S	23,471
Loan to BWSC Power Corporation Limited	2,455,816
Interest from BWSC Power Corporation Limited	196,646

The transactions described above are all at market terms.

Transactions between CII PCL Holding K/S, CII PCL Holding II ApS and CII PCL ApS are eliminated in the present consolidated financial statements and are not disclosed with reference to the Danish Financial Statements Act § 98 c.

11 Subsidiaries

	Registered in	Corporate form	Ownership %	Equity DKK'000	Profit/loss DKK'000
CII PCL	Copenhagen	ApS	100	173,771	(434,489)
CII PCL Holding II	Copenhagen	ApS	100	173,616	(434,795)

Parent income statement for 2020

	Notes	2020 DKK'000	2019 DKK'000
Gross profit/loss	1	(3,900)	(3,237)
Income from investments in group enterprises		0	21,026
Other financial income	2	246,236	199,600
Impairment of financial assets		(434,883)	0
Other financial expenses	3	(174,640)	(124,564)
Profit/loss before tax		(367,187)	92,825
Tax on profit/loss for the year		0	(110)
Profit/loss for the year	4	(367,187)	92,715

Parent balance sheet at 31.12.2020

Assets

	Notes	2020 DKK'000	2019 DKK'000
Investments in group enterprises		173,615	608,498
Receivables from associates		2,259,171	2,306,514
Financial assets	5	2,432,786	2,915,012
Fixed assets		2,432,786	2,915,012
Receivables from group enterprises		67	0
Other receivables		291	0
Receivables		358	0
Cash		21,901	98,105
Current assets		22,259	98,105
Assets		2,455,045	3,013,117

Equity and liabilities

	Notes	2020 DKK'000	2019 DKK'000
Contributed capital		768,447	768,447
Retained earnings		(625,941)	(195,233)
Equity		142,506	573,214
Mortgage debt		1,830,670	2,090,696
Payables to group enterprises		402,466	269,222
Non-current liabilities other than provisions	6	2,233,136	2,359,918
Current portion of non-current liabilities other than provisions	6	78,247	77,506
Other payables		1,156	2,479
Current liabilities other than provisions		79,403	79,985
Liabilities other than provisions		2,312,539	2,439,903
Equity and liabilities		2,455,045	3,013,117
Financial instruments	7		
Contingent liabilities	8		

Parent statement of changes in equity for 2020

	Contributed capital DKK'000	Retained earnings DKK'000	Total DKK'000
Equity beginning of year	768,447	(195,233)	573,214
Fair value adjustments of hedging instruments	0	(63,521)	(63,521)
Profit/loss for the year	0	(367,187)	(367,187)
Equity end of year	768,447	(625,941)	142,506

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 Gross profit/loss

The Company has no employees.

The Management has not received remunerations.

2 Other financial income

	2020 DKK'000	2019 DKK'000
Financial income from associates	196,645	199,600
Other financial income	49,591	0
	246,236	199,600

3 Other financial expenses

	2020 DKK'000	2019 DKK'000
Financial expenses from group enterprises	26,023	23,045
Other financial expenses	148,617	101,519
	174,640	124,564

4 Proposed distribution of profit and loss

	2020 DKK'000	2019 DKK'000
Extraordinary dividend distributed in the financial year	0	62,362
Retained earnings	(367,187)	30,353
	(367,187)	92,715

5 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	(192,686)	597,957
Exchange rate adjustments	0	(141,124)
Impairment losses for the year	(434,883)	0
Other adjustments	0	196,645
Reversal regarding disposals	0	(102,864)
Revaluations end of year	(627,569)	550,614
Carrying amount end of year	173,615	2,259,171

Other adjustments to receivables from associates comprise interest.

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

6 Non-current liabilities other than provisions

	Due within 12 months 2020 DKK'000	Due within 12 months 2019 DKK'000	Due after more than 12 months 2020 DKK'000	Outstanding after 5 years 2020 DKK'000
Mortgage debt	78,247	77,506	1,830,670	1,318,213
Payables to group enterprises	0	0	402,466	402,466
	78,247	77,506	2,233,136	1,720,679

7 Derivative financial instruments

Note 8 of the consolidated financial statements includes information about interest rate swaps.

8 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.

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.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses.

Derivative financial instruments

On initial recognition in the balance sheet, derivative financial instruments are measured at cost and subsequently at fair value, which has been calculated as the discounted value of expected future net cash flows by using an approximate risk-free interest rate adjusted for any factors that a potential market participant would attribute value to when acquiring the instrument. Derivative financial instruments are recognised under other receivables or mortgage debt.

Changes in the fair value of derivative financial instruments classified as and complying with the requirements for hedging future transactions are recognised directly in equity. When the hedged transactions are realised, the accumulated changes are recognised as part of cost of the relevant financial statement items.

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 of financial assets

Impairment of financial assets comprise impairment of 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.

Tax on profit/loss for the year

The Company is not subject to taxation. Tax withheld on dividend payments from group enterprises is charged to the income statement.

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.

Cash

Cash comprises cash in bank deposits.

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.