Solarpark Vandel ApS

Koldinghus Alle 1C, Bregentved, DK-4690 Haslev

Annual Report for 2022

CVR No. 31 06 53 80

The Annual Report was presented and adopted at the Annual General Meeting of the company on 24/2 2023

Anders Dolmer
Chairman of the general meeting

Contents

Management's statement

The Executive Board has today considered and adopted the Financial Statements of Solarpark Vandel ApS for the financial year 1 January - 31 December 2022.

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

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2022 of the Company and of the results of the Company operations for 2022.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

We recommend that the Financial Statements be adopted at the Annual General Meeting.

Haslev, 24 February 2023

Executive Board

Jacob Simonsen Manager	Anders Dolmer Manager

Independent Auditor's report

To the shareholder of Solarpark Vandel ApS

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2022 and of the results of the Company´s operations for the financial year 1 January - 31 December 2022 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Solarpark Vandel ApS for the financial year 1 January - 31 December 2022, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies (”the Financial Statements”).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the ”Auditor’s responsibilities for the audit of the Financial Statements” section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants’ International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on Management’s Review

Management is responsible for Management’s Review.

Our opinion on the Financial Statements does not cover Management’s Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read Management’s Review and, in doing so, consider whether Management’s Review is materially inconsistent with the Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management’s Review provides the information required under the Danish Financial Statements Act.

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

Management’s responsibilities for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, Management is responsible for assessing the Company´s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the Financial Statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Independent Auditor's report

Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

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

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company´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 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 Company´s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

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.

Ringsted, 24 February 2023

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Martin Langhoff Hansen
State Authorised Public Accountant
mne36027

Nikolaj Frausing Borch
State Authorised Public Accountant
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Management's review

Key activities

The company’s purpose is development and operation of a solar project at the former Flyveplads Vandel, Denmark.

Development in the year

The income statement of the Company for 2022 shows a profit of TDKK 33,222, and at 31 December 2022 the balance sheet of the Company shows positive equity of TDKK 150,031.

Unusual events

The financial position at 31 December 2022 of the Company and the results of the activities and cash flows of the Company for the financial year for 2022 have not been affected by any unusual events.

Subsequent events

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

Income statement 1 January - 31 December

	Note	2022	2021
		TDKK	TDKK
Gross profit		**64,122**	**57,227**
Depreciation and impairment losses of property, plant and equipment		-13,636	-13,636
Profit/loss before financial income and expenses		**50,486**	**43,591**
Financial income		786	370
Financial expenses	1	-8,428	-9,325
Profit/loss before tax		**42,844**	**34,636**
Tax on profit/loss for the year	2	-9,622	-7,786
Net profit/loss for the year		**33,222**	**26,850**

Distribution of profit

	2022	2021
	TDKK	TDKK
Proposed distribution of profit		
Retained earnings	33,222	26,850
	33,222	**26,850**

Balance sheet 31 December

Assets

	Note	2022	2021
		TDKK	TDKK
Plant and machinery		381,821	395,458
Property, plant and equipment	3	**381,821**	**395,458**
Deposits	4	19	17
Fixed asset investments		**19**	**17**
Fixed assets		**381,840**	**395,475**
Trade receivables		578	552
Receivables from group enterprises		0	1,100
Other receivables		89	327
Prepayments		78	57
Receivables		**745**	**2,036**
Cash at bank and in hand	6	**40,094**	**36,536**
Current assets		**40,839**	**38,572**
Assets		**422,679**	**434,047**

Balance sheet 31 December

Liabilities and equity

	Note	2022	2021
		TDKK	TDKK
Share capital	7	125	125
Reserve for hedging transactions		2,823	2,312
Retained earnings		147,083	113,861
Equity		**150,031**	**116,298**
Provision for deferred tax		34,740	32,450
Other provisions		2,717	2,717
Provisions		**37,457**	**35,167**
Mortgage loans		117,614	163,876
Payables to group enterprises		59,992	66,535
Other payables		1,939	2,450
Long-term debt	8	**179,545**	**232,861**
Mortgage loans	8	46,262	46,136
Credit institutions		80	0
Trade payables		585	1,098
Payables to group enterprises		1,387	0
Payables to group enterprises relating to corporation tax		7,332	2,487
Short-term debt		**55,646**	**49,721**
Debt		**235,191**	**282,582**
Liabilities and equity		**422,679**	**434,047**

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Statement of changes in equity

	Share capital	Reserve for hedging transactions	Retained earnings	Total
	TDKK	TDKK	TDKK	TDKK
Equity at 1 January	125	2,312	113,861	116,298
Fair value adjustment of hedging instruments, end of year	0	511	0	511
Net profit/loss for the year	0	0	33,222	33,222
Equity at 31 December	**125**	**2,823**	**147,083**	**150,031**

Notes to the Financial Statements

1. Financial expenses

	2022 TDKK	2021 TDKK
Interest paid to group enterprises	3,125	3,440
Other financial expenses	3,733	4,634
Exchange loss	1,570	1,251
	8,428	**9,325**

2. Income tax expense

	2022 TDKK	2021 TDKK
Current tax for the year	7,332	2,487
Deferred tax for the year	2,290	5,396
Adjustment of tax concerning previous years	0	-97
	9,622	**7,786**

3. Property, plant and equipment

	Plant and machinery TDKK
Cost at 1 January	511,175
Cost at 31 December	511,175
Impairment losses and depreciation at 1 January	115,718
Depreciation for the year	13,636
Impairment losses and depreciation at 31 December	129,354
Carrying amount at 31 December	**381,821**
Depreciated over	35 years
Interest expenses recognised as part of cost	2,542

Notes to the Financial Statements

4. Other fixed asset investments

	Deposits
	TDKK
Cost at 1 January	17
Additions for the year	2
Cost at 31 December	19
Carrying amount at 31 December	**19**

5. Derivative financial instruments

Derivative financial instruments contracts in the form of have been concluded. At the balance sheet date, the fair value of derivative financial instruments amounts to:

The Company has entered three cross currency swap contracts recognized as non-current other payables. The cross currency swaps are recognized at a negative fair value of DKK 2.450 thousand. The principal amount is EUR 22.160 thousand equivalent to DKK 165.541 thousand. The Company swaps from fixed interest rates to fixed interest rates of 1,865-2,23% in DKK to fixed interest rates of 1,55-1,95 % in EUR. The cross currency swaps will expire between the next 3-4 years.

	Value adjustment, income statement	Value adjustment, equity	Fair value at 31. December
	TDKK	TDKK	TDKK
Cross currency swaps	0	511	-1,939

	2022	2021
	TDKK	TDKK

6. Cash at bank and in hand

	2022	2021
Free cash	13,478	10,347
Restricted cash	26,616	26,189
	40,094	**36,536**

7. Share capital

The share capital consists of 125,000 shares of a nominal value of TDKK 1. No shares carry any special rights.

Notes to the Financial Statements

8. Long-term debt

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

The debt falls due for payment as specified below:

	2022	2021
	TDKK	TDKK
Mortgage loans		
After 5 years	17,675	21,192
Between 1 and 5 years	99,939	142,684
Long-term part	117,614	163,876
Within 1 year	46,262	46,136
	163,876	**210,012**
Payables to group enterprises		
After 5 years	59,992	66,535
Long-term part	59,992	66,535
Within 1 year	0	0
Other short-term debt to group enterprises	1,387	0
Short-term part	1,387	0
	61,379	**66,535**
Other payables		
After 5 years	0	2,450
Between 1 and 5 years	1,939	0
Long-term part	1,939	2,450
Within 1 year	0	0
	1,939	**2,450**

Under payables to group enterprises, DKK 59.992 thousand is provided as subordinated loan capital.

9. Staff

	2022	2021
Average number of employees	2	2

	2022	2021
	TDKK	TDKK

10. Contingent assets, liabilities and other financial obligations

Charges and security

The following assets have been placed as security with mortgage credit institutes:

As security for mortgage debt totaling DKK 163.846 thousand, the Company has granted charges totaling EUR 64.500 thousand equivalent to DKK 479.654 thousand on solarplants carried at DKK 381.821 thousand at 31 December 2022.

According to note 6 cash of DKK 26.616 thousand is placed as restricted cash.

Rental and lease obligations

The Company has entered into a landlease agreement with a duration of 30 years until 2045. The landlease depends on the revenue so the total commitment cannot be measured reliaby but is estimated to be between DKK 6.750-7.500 thousand per year.

The company has entered into an operation and maintenance, commercial, technical and director agreements with an estimated annual fee of total DKK 1.805 thousand

The company has entered into a plant manager agreement which cannot be terminated for at least 3 months. The remaining liability is DKK 11 thousand.

Other contingent liabilities

The Danish group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of Capviva Solarpark Vandel Holding ApS, which is the management company of the joint taxation purposes. Moreover, the Danish group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.¨

11. Related parties and disclosure of consolidated financial statements

Consolidated Financial Statements

The Company is included in the Group Annual Report of the Parent Company of the smallest group:

Name	Place of registered office
Capviva Solarpark Vandel Holding ApS, CVR NO 37 56 96 07	Haslev

Notes to the Financial Statements

12. Accounting policies

The Annual Report of Solarpark Vandel ApS for 2022 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2022 are presented in TDKK.

Recognition and measurement

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

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

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

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

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

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

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

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

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Derivative financial instruments

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

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

Hedge accounting

Changes in the fair values of financial instruments that are designated and qualify as fair value hedges of a recognised asset or a recognised liability are recognised in the income statement as are any changes in the fair value of the hedged asset or the hedged liability related to the hedged risk.

Changes in the fair values of derivative financial instruments that are designated and qualify as hedges of expected future transactions are recognised in the fair value reserve under equity as regards the effective portion of the hedge. The ineffective portion is recognised in the income statement. If the hedged transaction results in an asset or a liability, the amount deferred in equity is transferred from equity and recognised in the cost of the asset or the liability, respectively. If the hedged transaction results in an income or an expense, the amount deferred in equity is transferred from equity to the income statement in the period in which the hedged transaction is recognised. The amount is recognised in the same item as the hedged transaction.

Changes in the fair values of financial instruments that are designated and qualify as hedges of net investments in independent foreign subsidiaries or associates are recognised directly in equity as regards the effective portion of the hedge, whereas the ineffective portion is recognised in the income statement.

Income statement

Net sales

Revenue from the sale of electricity is recognised when the risks and rewards relating to the electricity sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

Revenue is measured at the consideration received and is recognised exclusive of VAT.

Expenses for raw materials and consumables

Expenses for operation and maintenance, insurance, land lease, electricity costs etc. used in generating the year's revenue.

Other external expenses

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

Gross profit

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, costs related to sale of electricity and consumables and other external expenses.

Amortisation, depreciation and impairment losses

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

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is part of a joint taxation with all Danish Group Companes. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

Balance sheet

Property, plant and equipment

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

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Interest expenses on loans contracted directly for financing the construction of property, plant and equipment are recognised in cost over the period of construction.

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

Plant and machinery	35 years

The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

The carrying amounts of property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation

If so, the asset is written down to its lower recoverable amount.

Other fixed asset investments

Fixed asset investments consist of deposits.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Provisions

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

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

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

Notes to the Financial Statements

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial debts

Loans, such as loans from credit institutions, are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Mortgage loans are measured at amortised cost, which for cash loans corresponds to the remaining loan. Amortised cost of debenture loans corresponds to the remaining loan calculated as the underlying cash value of the loan at the date of raising the loan adjusted for depreciation of the price adjustment of the loan made over the term of the loan at the date of raising the loan.

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