

HP Capital A/S

Løvelvej 4, 6000, Kolding

CVR no. 33 07 15 23

Annual report 2021/22

Approved at the Company's annual general meeting on 15 December 2022

Chair of the meeting:


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The following is a translation of an original Danish document. The original Danish document is the governing document for all purposes, and in case of any discrepancy, the Danish wording will be applicable.

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Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of HP Capital A/S for the financial year 1 August 2021 - 31 July 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 of the Company at 31 July 2022 and of the results of the Company's operations for the financial year 1 August 2021 - 31 July 2022.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the annual general meeting.

Esbjerg, 15 December 2022
Executive Board:



Merete Bech Povlsen
CEO

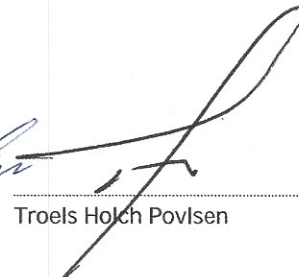
Board of Directors:



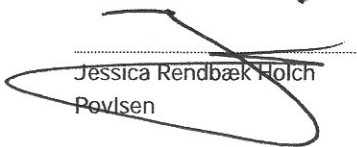
Niels Holch Povlsen
Chair



Merete Bech Povlsen



Troels Holch Povlsen



Jessica Rendbæk Holch
Povlsen



Roderick P. Kennedy

Independent auditor's report

To the shareholders of HP Capital A/S

Opinion

We have audited the financial statements of HP Capital A/S for the financial year 1 August 2021 - 31 July 2022, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are 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 of the Company at 31 July 2022 and of the results of the Company's operations for the financial year 1 August 2021 - 31 July 2022 in accordance with the Danish Financial Statements Act.

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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.

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.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to 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 the 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.

Independent auditor's report

- ▶ 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 note 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.

Statement on the Management's review

Management is responsible for the Management's review.

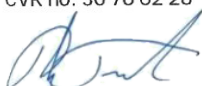
Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the 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 the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Aarhus, 15 December 2022
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28



Peter U. Faurschou
State Authorised Public Accountant
mne34502

Management's review

Company details

Name	HP Capital A/S
Address, Postal code, City	Løvelvej 4, 6000, Kolding
CVR no.	33 07 15 23
Established	23 July 2010
Financial year	1 August 2021 - 31 July 2022

Board of Directors

Niels Holch Povlsen, Chair
Merete Bech Povlsen
Troels Holch Povlsen
Jessica Rendbæk Holch Povlsen
Roderick P. Kennedy

Executive Board

Merete Bech Povlsen, CEO

Auditors

EY Godkendt Revisionspartnerselskab
Værkmestergade 25, P.O. Box 330, 8100 Aarhus C,
Denmark

Management's review

Business review

The primary purpose of the entity is long-term investment in companies and related business.

Financial review

The income statement for 2021/22 shows a loss of DKK 3,288 thousand against a profit of DKK 3,904 thousand last year, and the balance sheet at 31 July 2022 shows equity of DKK 467,507 thousand. Management considers the Company's financial performance in the year satisfactory.

The Company has changed its accounting policies within the following areas:

- Investments in group enterprises and associates: the accounting treatment of investments in group enterprises and associates is changed from equity method to cost.

Reference is otherwise made to the mention of the matter under Accounting policies.

Events after the balance sheet date

No events materially affecting the Company's financial position have occurred subsequent to the financial year-end.

Financial statements 1 August 2021 - 31 July 2022

Income statement

Note	DKK	2021/22	2020/21
	Other external expenses	-467,212	-122,572
	Gross profit	-467,212	-122,572
2	Staff costs	0	0
	Profit/loss before net financials	-467,212	-122,572
	Income from investments in associates	-3,343,002	0
	Other financial income from group enterprises	934,354	2,157,333
	Financial income	430,902	3,031,607
	Financial expenses	-827,592	-61,189
	Profit/loss before tax	-3,272,550	5,005,179
3	Tax for the year	-15,874	-1,101,122
	Profit/loss for the year	-3,288,424	3,904,057
	Recommended appropriation of profit/loss	-3,288,424	3,904,057
	Retained earnings/accumulated loss	-3,288,424	3,904,057

Financial statements 1 August 2021 - 31 July 2022

Balance sheet

Note	DKK	2021/22	2020/21
	ASSETS		
	Fixed assets		
4	Investments		
	Investments in group enterprises	395,706,591	395,706,591
	Investments in associates	0	10,863,248
		<u>395,706,591</u>	<u>406,569,839</u>
	Total fixed assets	<u>395,706,591</u>	<u>406,569,839</u>
	Non-fixed assets		
	Receivables		
	Receivables from group enterprises	27,474,365	31,801,312
	Corporation tax receivable	18,987	0
		<u>27,493,352</u>	<u>31,801,312</u>
5	Securities and investments	<u>30,449,932</u>	<u>31,610,836</u>
	Cash	<u>13,873,851</u>	<u>1,837,101</u>
	Total non-fixed assets	<u>71,817,135</u>	<u>65,249,249</u>
	TOTAL ASSETS	<u>467,523,726</u>	<u>471,819,088</u>
	EQUITY AND LIABILITIES		
	Equity		
6	Share capital	10,000,000	10,000,000
	Net revaluation reserve according to the equity method	0	0
	Retained earnings	<u>457,506,726</u>	<u>460,795,150</u>
	Total equity	<u>467,506,726</u>	<u>470,795,150</u>
	Liabilities other than provisions		
	Current liabilities other than provisions		
	Trade payables	17,000	17,000
	Corporation tax payable	0	1,006,938
		<u>17,000</u>	<u>1,023,938</u>
	Total liabilities other than provisions	<u>17,000</u>	<u>1,023,938</u>
	TOTAL EQUITY AND LIABILITIES	<u>467,523,726</u>	<u>471,819,088</u>

1 Accounting policies

7 Collateral

Financial statements 1 August 2021 - 31 July 2022

Statement of changes in equity

DKK	Share capital	Net revaluation reserve according to the equity method	Retained earnings	Total
Equity at 1 August 2020	10,000,000	10,711,786	449,070,924	469,782,710
Adjustment of equity through changes in accounting policies	0	-10,711,786	7,820,169	-2,891,617
Adjusted equity at 1 August 2020	10,000,000	0	456,891,093	466,891,093
Transfer through appropriation of profit	0	0	3,904,057	3,904,057
Equity at 1 August 2021	10,000,000	0	460,795,150	470,795,150
Transfer through appropriation of loss	0	0	-3,288,424	-3,288,424
Equity at 31 July 2022	10,000,000	0	457,506,726	467,506,726

Financial statements 1 August 2021 - 31 July 2022

Notes to the financial statements

1 Accounting policies

The annual report of HP Capital A/S for 2021/22 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

In accordance with section 110(1) of the Danish Financial Statements Act, the Company has not prepared consolidated financial statements.

Changes in accounting policies

The Company has changed its accounting policies within the following areas:

- Investments in group enterprises and associates: the accounting treatment of investments in group enterprises and associates is changed from equity method to cost.

The changes in policy has affected the accounting figures for 2020/21 as follows:

- ▶ Profit for the year before tax has been changed by DKK -5.416 thousand from DKK 9.320 thousand to DKK 3.904 thousand. The balance sheet total has been changed by DKK -29.246 thousand from DKK 501.065 thousand to DKK 471.819 thousand, and the accumulated effect on equity totalled DKK -29.246 thousand at 31 August 2021.

The changes in policy has affected the accounting figures for 2021/22 as follows:

- ▶ Profit for the year before tax has been changed by DKK -8.543 thousand from DKK 5.255 thousand to DKK -3.288 thousand. The balance sheet total has been changed by DKK -43.535 thousand from DKK 511.059 thousand to DKK 467.524 thousand, and the accumulated effect on equity totalled DKK -43.535 thousand at 31 August 2022.

The comparative figures for 2020/21 have been restated accordingly.

Apart from the above changes in accounting policy, the accounting policies are consistent with those of last year.

Reporting currency

The financial statements are presented in Danish kroner (DKK).

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rate at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the most recent financial statements is recognised in the income statement as financial income or financial expenses.

Derivative financial instruments

On initial recognition, derivative financial instruments are recognised at cost in the balance sheet and are subsequently measured at fair value. Positive and negative fair values of derivative financial instruments are presented as separate items in the balance sheet.

Fair value adjustments of derivative financial instruments designated as and qualifying for recognition as a hedge of the fair value of a recognised asset or liability are recognised in the income statement along with changes in the fair value of the hedged asset or liability.

Financial statements 1 August 2021 - 31 July 2022

Notes to the financial statements

1 Accounting policies (continued)

Income statement

Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to administration etc.

Profit/loss from investments in subsidiaries and associates

The item includes dividend received from subsidiaries and associates in so far as the dividend does not exceed the accumulated earnings in the subsidiary and associate in the period of ownership.

Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

Balance sheet

Investments in subsidiaries and associates

Investments in subsidiaries and associates are measured at cost. Dividends received that exceed the accumulated earnings in the subsidiary or the associate during the period of ownership are treated as a reduction in the cost of acquisition.

Other securities and investments

Securities and investments consisting of listed shares and bonds are measured at fair value (market price) at the balance sheet date. Investments not admitted to trading on an active market are measured at cost.

Financial statements 1 August 2021 - 31 July 2022

Notes to the financial statements

1 Accounting policies (continued)

Impairment of fixed assets

The carrying amount of investments in subsidiaries and associates is assessed for impairment on an annual basis.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

Receivables

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Receivables in respect of which there is no objective evidence of individual impairment are tested for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the debtors' domicile and credit ratings in line with the Company's risk management policy. The objective evidence applied to portfolios is determined based on historical loss experience.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Securities and investments

Securities and investments consisting in listed shares and bonds are measured at fair value (market price) at the balance sheet date. Investments not admitted to trading on an active market are measured at cost.

Cash

Cash comprise cash and short term securities which are readily convertible into cash and subject only to minor risks of changes in value.

Financial statements 1 August 2021 - 31 July 2022

Notes to the financial statements

1 Accounting policies (continued)

Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

Other payables

Other payables are measured at net realisable value.

Fair value

The fair value measurement is based on the principal market. If no principal market exists, the measurement is based on the most advantageous market, i.e. the market that maximises the price of the asset or liability less transaction and/or transport costs.

All assets and liabilities which are measured at fair value, or whose fair value is disclosed, are classified based on the fair value hierarchy, see below:

Level 1: Value in an active market for similar assets/liabilities

Level 2: Value based on recognised valuation methods on the basis of observable market information

Level 3: Value based on recognised valuation methods and reasonable estimates (non-observable market information).

Financial statements 1 August 2021 - 31 July 2022

Notes to the financial statements

2 Staff costs

The Company has no employees.

	DKK	2021/22	2020/21
3 Tax for the year			
Estimated tax charge for the year		15,894	1,101,142
Tax adjustments, prior years		-20	-20
		<u>15,874</u>	<u>1,101,122</u>

4 Investments

Name	Domicile	Interest
Subsidiaries		
Cokenach Limited	England	100.00%
HP Solar Limited	England	100.00%
Cokenach Property Limited	England	60.00%

5 Securities and investments

Fair value information	Listed shares	Listed bonds	1 alt
DKK			
Fair value at 31 July	15,339,682	15,110,250	30,449,932
Value adjustments in the income statement	-1,499,635	-1,703,785	-3,203,421
Fair value level	1	1	1

6 Share capital

The Company's share capital has remained DKK 10,000,000 over the past 5 years.

7 Collateral

The Company has not provided any security or other collateral in assets at 31 July 2022.