

Nordic Power Partners P/S

**Gyngemose Parkvej 50
2860 Søborg**

CVR no. 34 73 87 34

**Annual report for 2020
(8th Financial year)**

Adopted at the annual general
meeting on 22 June 2021

Knud Erik Andersen
chairman

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Statement by management on the annual report

The supervisory and executive boards have today discussed and approved the annual report of Nordic Power Partners P/S for the financial year 1 January - 31 December 2020.

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 company's financial position at 31 December 2020 and of the results of the company's operations for the financial year 1 January - 31 December 2020.

In our opinion, management's review includes a fair review of the matters dealt with in the management's review.

Management recommends that the annual report should be approved by the company in general meeting.

Søborg, 22 June 2021

Executive Board

Jens-Peter Zink

Board of Directors

Knud Erik Andersen
Chairman

Reik Haahr Müller

Jens-Peter Zink

Independent auditor's report

To the shareholders of Nordic Power Partners P/S

Opinion

We have audited the financial statements of Nordic Power Partners P/S for the financial year 1 January - 31 December 2020, which comprise income statement, balance sheet, statement of changes in equity, notes and summary of significant accounting policies. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2020 and of the results of the company's operations for the financial year 1 January - 31 December 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 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' 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 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 the 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.

Independent auditor's report

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 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, we conclude that 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 of management's review.

Copenhagen, 22 June 2021

KPMG
Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98

Martin Eiler
State Authorised Public Accountant
MNE no. mne32271

Company details

The company

Nordic Power Partners P/S
Gyngemose Parkvej 50
2860 Søborg

CVR no.: 34 73 87 34

Reporting period: 1 January - 31 December 2020

Incorporated: 19 November 2012

Domicile: Gladsaxe

Board of Directors

Knud Erik Andersen, chairman
Reik Haahr Müller
Jens-Peter Zink

Executive Board

Jens-Peter Zink

Auditors

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfærgevej 28
2100 København

Management's review

The Company's main activities

The Company's objective is to develop, construct and finance solar PV and wind energy projects in developing countries either directly or through SPV's.

Recognition and measurement uncertainties

The company has other receivables under fixed asset investments of TEUR 8.439. The receivable relates to a business partner in a project in Brazil. The value of the project is dependend on the curenry BRL, therefore there is risk associated with the value of the receivable. The company has claimed an attachment in the business partnerships ownership of the project. There is an ongoing legal dispute about the matter. As a consequence the company has accrued TEUR 2.000 to cover these uncertanities. The final outcome could deviate from the expected outcome and the deviation could be financially significant.

Financial review

The company's income statement for the year ended 31 December 2020 shows a loss of TEUR 3.352, and the balance sheet at 31 December 2020 shows negative equity of TEUR 124.

The Danish Tax authorities has for 2017 and 2018 claimed that the company is subject to "Lønsumsafgift" and that the company can not deduct VAT. An amount of TEUR 432, has been accrued for the period 2017-2020 to cover the cost related hereto.

In 2020 Denmark, and the rest of the world, has been significantly affected by COVID-19. The company's activities have not been significantly affected by the situation.

The company has lost its capital, the capital structure will be discussed by the shareholders on the annual general meeting. The Company is long-term financed by the Shareholders and Management expect no risk related to the Company's continued operations.

Significant events occurring after the end of the financial year

No events have occurred after the balance sheet date which could significantly affect the company's financial position.

Accounting policies

The annual report of Nordic Power Partners P/S for 2020 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to reporting class B entities, as well as provisions applying to reporting class C entities.

The accounting policies applied goes from accounting class C to class B.

The annual report for 2020 is presented in TEUR

Pursuant to sections §110 subsection 1, of the Danish Financial Statements Act, the company has not prepared consolidated financial statements.

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits 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 from the company and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any installments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

Income statement

Other external costs

Other external cost include expenses related to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Accounting policies

Staff costs

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees. The item is net of refunds made by public authorities.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise the year's 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. Net financials include interest income and expenses, gains and losses on receivables, payables and transactions denominated in foreign currencies.

Income from investments in subsidiaries, associates and participating interests

The proportionate share of the results after tax of the individual subsidiaries is recognised in the income statement of the company after full elimination of intra-group profits/losses.

Tax

The company is not an independent taxable entity and therefore no provisions are made for tax on profit/loss for the year and current and deferred tax liabilities are not recognized.

Balance sheet

Investments in subsidiaries, associates and participating interests

Investments in subsidiaries, associates and participating interests are measured at the proportionate share of the net asset value of the entities, calculated on the basis of the group's accounting policies, plus or less unrealised intra-group gains or losses and plus or less any remaining value of positive or negative goodwill stated according to the purchase method. Negative goodwill is recognised in the income statement on acquisition. Where the negative goodwill relates to contingent liabilities having been taken over, the negative goodwill is not recognised until the contingent liabilities have been settled or no longer exist.

Impairment of fixed assets

The carrying amount of investments in subsidiaries is reviewed for impairment, other than what is reflected through normal depreciation, on an annual basis.

Accounting policies

Receivables

Receivables are measured at amortised cost.

Prepayments

Prepayments recognised under 'Current assets' comprises expenses incurred concerning subsequent financial years.

Cash and cash equivalents

Cash and cash equivalents comprise cash and deposits at banks.

Equity

Dividends

Proposed dividends are recognized as a liability at the date when they are adopted at the annual general meeting (declaration date). The expected dividende payment for the year is disclosed as s seperate item under equity.

Liabilities

Other liabilities are measured at net realisable value.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses. If foreign currency instruments are considered cash flow hedges, any unrealised value adjustments are taken directly to a fair value reserve under 'Equity'.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rates 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 latest financial statements is recognised in the income statement as financial income or financial expenses.

Non-monetary item are translated at the exchange rates at the date of acquisition or at the date of subsequent revaluation of the asset. Income statement item are translated at the exchange rates at the transaction date, whereas item derived from non-monetary item are translated at historical exchange rates for the non-monetary item.

Income statement 1 January - 31 December

	<u>Note</u>	<u>2020</u> TEUR	<u>2019</u> TEUR
Revenue		0	0
Direct cost		-32	-690
Other external cost		-2.864	-123
Gross profit		-2.896	-813
Staff costs	1	-93	-321
Profit/loss before amortisation/depreciation and impairment losses		-2.989	-1.134
Depreciation, tangible assets		0	-5
Profit/loss before net financials		-2.989	-1.139
Income from investments in subsidiaries		-6	57
Financial income	2	577	5.804
Financial expenses	3	-934	-5.439
Profit/loss for the year		-3.352	-717
Recommended appropriation of profit/loss			
Retained earnings		-3.352	-717
		-3.352	-717

Balance sheet 31 December

	<u>Note</u>	<u>2020</u> TEUR	<u>2019</u> TEUR
Assets			
Investments in subsidiaries	4	134	140
Receivables from subsidiaries		451	513
Receivables from related parties	5	3.853	3.014
Other receivables	5	6.439	8.183
Fixed asset investments		<u>10.877</u>	<u>11.850</u>
Total non-current assets		<u>10.877</u>	<u>11.850</u>
Work in progress		0	575
Stocks		<u>0</u>	<u>575</u>
Receivables from related parties		674	0
Other receivables		28	70
Prepayments		0	2
Receivables		<u>702</u>	<u>72</u>
Cash at bank and in hand		<u>679</u>	<u>2.299</u>
Total current assets		<u>1.381</u>	<u>2.946</u>
Total assets		<u><u>12.258</u></u>	<u><u>14.796</u></u>

Balance sheet 31 December

	<u>Note</u>	<u>2020</u> TEUR	<u>2019</u> TEUR
Equity and liabilities			
Share capital		1.877	1.877
Retained earnings		<u>-2.001</u>	<u>1.351</u>
Equity	6	<u>-124</u>	<u>3.228</u>
Provisions relating to investments in group entities		<u>0</u>	<u>25</u>
Total provisions		<u>0</u>	<u>25</u>
Other payables		0	8
Payables to shareholders		<u>11.943</u>	<u>11.206</u>
Total non-current liabilities	7	<u>11.943</u>	<u>11.214</u>
Trade payables		7	273
Other payables		<u>432</u>	<u>56</u>
Total current liabilities		<u>439</u>	<u>329</u>
Total liabilities		<u>12.382</u>	<u>11.543</u>
Total equity and liabilities		<u>12.258</u>	<u>14.796</u>
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Statement of changes in equity

	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 1 January 2020	1.877	1.351	3.228
Net profit/loss for the year	0	-3.352	-3.352
Equity at 31 December 2020	<u>1.877</u>	<u>-2.001</u>	<u>-124</u>

Notes

	<u>2020</u>	<u>2019</u>
	TEUR	TEUR
1 Staff costs		
Wages and salaries	59	861
Pensions	4	13
Other social security costs	-1	6
Other staff costs	<u>31</u>	<u>12</u>
	93	892
Transfer to development projects	<u>0</u>	<u>-571</u>
	93	321
Average number of employees	<u>1</u>	<u>5</u>
2 Financial income		
Interest received from subsidiaries	29	29
Interest income from related parties	184	5.364
Other financial income	363	15
Exchange gains	<u>1</u>	<u>396</u>
	577	5.804
3 Financial expenses		
Financial expenses, shareholders	851	5.365
Other financial costs	8	20
Exchange adjustments costs	<u>75</u>	<u>54</u>
	934	5.439

Notes

4 Investments in subsidiaries

Cost at 1 January 2020	211	211
Cost at 31 December 2020	211	211
Revaluations at 1 January 2020	-71	-140
Exchange adjustment	-14	0
Net profit/loss for the year	8	57
Equity investments with negative net asset value adjusted against receivables	0	12
Revaluations at 31 December 2020	-77	-71
Carrying amount at 31 December 2020	134	140

Investments in subsidiaries are specified as follows:

Name	Registered office	Ownership interest	Equity	Profit/loss for the year
NPP Maldives Private Limited	Male, Maldives	99%	135.200	8.448

Notes

	<u>2020</u>	<u>2019</u>
	TEUR	TEUR
5 Receivables		
The following receivables from related parties fall due for payment more than 1 year after year end	3.853	3.014
The following other receivables fall due for payment more than 1 year after year end	<u>6.439</u>	<u>8.183</u>

The company has other receivables under fixed asset investments of TEUR 8.439. The receivable relates to a business partner in a project in Brazil. The value of the project is dependend on the curency BRL, therefore there is risk associated with the value of the receivable. The company has claimed an attachment in the business partnerships ownership of the project. There is an ongoing legal dispute about the matter. As a consequence the company has accrued TEUR 2.000 to cover these uncertanities. The final outcome could deviate from the expected outcome and the deviation could be financially significant.

6 Equity

The share capital consists of 14.000.000 shares of a nominal value of DKK 1. No shares carry any special rights.

The share capital has developed as follows:

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
	TEUR	TEUR	TEUR	TEUR	TEUR
Share capital at 1					
January 2020	1.877	1.877	1.676	1.458	788
Additions for the year	<u>0</u>	<u>0</u>	<u>201</u>	<u>218</u>	<u>670</u>
Share capital	<u>1.877</u>	<u>1.877</u>	<u>1.877</u>	<u>1.676</u>	<u>1.458</u>

The company has lost its capital, the capital structure will be discussed by the shareholders on the annual general meeting. The Company is long-term financed by the Shareholders and Management expect no risk related to the Company's continued operations.

Notes

7 Long term debt

	Debt at 1 January 2020	Debt at 31 December 2020	Instalment next year	Debt outstanding after 5 years
Payables to shareholders	11.206	11.943	0	0
Other payables	8	0	0	0
	11.214	11.943	0	0

8 Related parties and ownership structure

According to the company's register of shareholders, the following shareholder holds at least 5% of the votes or at least 5% of the share capital:

European Energy A/S, 51%

Danish Climate Investment Fund I K/S, 49%