

Nordic Power Partners P/S

**Gyngemose Parkvej 50
2860 Søborg**

CVR no. 34 73 87 34

Annual report for 2021

(9th Financial year)

Adopted at the annual general
meeting on 27 June 2022

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 2021.

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 2021 and of the results of the company's operations for the financial year 1 January - 31 December 2021.

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, 27 June 2022

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 2021, 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 2021 and of the results of the company's operations for the financial year 1 January - 31 December 2021 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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.

Emphasis of matter

The company has a significant receivable with increased valuation uncertainty. Management has in note 5 explained the uncertainty and the valuation hereof.

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, 27 June 2022

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 2021

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

Business review

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 8.649. 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 1.000 to cover these uncertanities. The final outcome could deviate from the expected outcome and the deviation could be financially significant.

Change of material mistatements regarding prior years

It has been identified that the valuation of other receivables in the annual report for 2020 is impacted by a model error whereby the receivable was presented tEUR 1,000 lower than it actually should have been valued. The error is material and has been corrected in the comparison figures for 2020 (result, other receivables and equity).

Financial review

The company's income statement for the year ended 31 December 2021 shows a loss of TEUR 91, and the balance sheet at 31 December 2021 shows equity of TEUR 785.

Letter of subordination has been given by the owners of the company for their shareholders loan, and from other related parties for their loan. On the basis herof, debt repayment terms and available cash the management assess the going concern basis satisfactory at least until the approval of the 2022 annual report.

The company has lost more than half of its capital. The capital structure will be discussed by the shareholders on the annual general meeting.

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 2021 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 are consistent with those of last year.

The annual report for 2021 is presented in TEUR

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

Change of material misstatements regarding prior years

It has been identified that the valuation of other receivables in the annual report for 2020 is impacted by a model error whereby the receivable was presented tEUR 1,000 lower than it actually should have been valued. The error is material and has been corrected in the comparison figures for 2020 (result, other receivables and equity).

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.

Accounting policies

Income statement

Other operating income

Other operating income comprises items of a secondary nature relative to the company's activities, including gains on the sale of intangible assets and items of property, plant and equipment.

Other external costs

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

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.

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.

Accounting policies

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.

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.

Accounting policies

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>2021</u> TEUR	<u>2020</u> TEUR
Revenue		0	0
Direct cost		-4	-32
Other external cost		-129	-1.864
Gross profit		-133	-1.896
Staff costs	1	0	-93
Profit/loss before net financials		-133	-1.989
Income from investments in subsidiaries		117	-6
Financial income	2	688	577
Financial expenses	3	-763	-934
Profit/loss for the year		-91	-2.352
Recommended appropriation of profit/loss			
Reserve for net revaluation under the equity method		42	0
Retained earnings		-133	-2.352
		-91	-2.352

Balance sheet 31 December

	<u>Note</u>	<u>2021</u> TEUR	<u>2020</u> TEUR
Assets			
Investments in subsidiaries	4	253	134
Receivables from subsidiaries		476	451
Receivables from related parties	5	3.853	3.853
Other receivables	5	7.649	7.439
Fixed asset investments		<u>12.231</u>	<u>11.877</u>
Total non-current assets		<u>12.231</u>	<u>11.877</u>
Receivables from related parties		188	674
Other receivables		5	28
Receivables		<u>193</u>	<u>702</u>
Cash at bank and in hand		<u>460</u>	<u>679</u>
Total current assets		<u>653</u>	<u>1.381</u>
Total assets		<u><u>12.884</u></u>	<u><u>13.258</u></u>

Balance sheet 31 December

	<u>Note</u>	<u>2021</u> TEUR	<u>2020</u> TEUR
Equity and liabilities			
Share capital		1.877	1.877
Reserve for net revaluation under the equity method		42	0
Retained earnings		-1.134	-1.001
Equity	6	<u>785</u>	<u>876</u>
Payables to shareholders		11.798	11.943
Total non-current liabilities	7	<u>11.798</u>	<u>11.943</u>
Trade payables		12	7
Other payables		289	432
Total current liabilities		<u>301</u>	<u>439</u>
Total liabilities		<u>12.099</u>	<u>12.382</u>
Total equity and liabilities		<u><u>12.884</u></u>	<u><u>13.258</u></u>

Statement of changes in equity

	Share capital	Reserve for net revalua- tion under the equity method	Retained earnings	Total
	TEUR	TEUR	TEUR	TEUR
Equity at 1 January 2021	1.877	0	-2.001	-124
Net effect from adjustment of error	0	0	1.000	1.000
Adjusted equity at 1 January 2021	1.877	0	-1.001	876
Net profit/loss for the year	0	42	-133	-91
Equity at 31 December 2021	1.877	42	-1.134	785

Notes

	<u>2021</u>	<u>2020</u>
	TEUR	TEUR
1 Staff costs		
Wages and salaries	0	59
Pensions	0	4
Other social security costs	0	-1
Other staff costs	0	31
	<u>0</u>	<u>93</u>
	<u>0</u>	<u>1</u>
2 Financial income		
Interest received from subsidiaries	75	29
Interest income from related parties	0	184
Other financial income	210	363
Exchange gains	403	1
	<u>688</u>	<u>577</u>
3 Financial expenses		
Financial expenses, shareholders	741	851
Other financial costs	15	8
Exchange adjustments costs	7	75
	<u>763</u>	<u>934</u>

Notes

	<u>2021</u> TEUR	<u>2020</u> TEUR
4 Investments in subsidiaries		
Cost at 1 January 2021	211	211
Cost at 31 December 2021	211	211
Revaluations at 1 January 2021	-77	-71
Exchange adjustment	42	-14
Net profit/loss for the year	77	8
Revaluations at 31 December 2021	42	-77
Carrying amount at 31 December 2021	<u>253</u>	<u>134</u>

Investments in subsidiaries are specified as follows:

<u>Name</u>	<u>Registered office</u>	<u>Ownership interest</u>
NPP Maldives Private Limited	Male, Maldives	99%

	<u>2021</u> TEUR	<u>2020</u> TEUR
5 Receivables		
The following trade receivables fall due for payment more than 1 year after year end	3.853	3.853
The following other receivables fall due for payment more than 1 year after year end	7.649	6.439

The company has other receivables under fixed asset investments of TEUR 8.649. 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 1.000 to cover these uncertanities. The final outcome could deviate from the expected outcome and the deviation could be financially significant.

Notes

6 Equity

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

The share capital has developed as follows:

	2021	2020	2019	2018	2017
	TEUR	TEUR	TEUR	TEUR	TEUR
Share capital at 1					
January 2021	1.877	1.877	1.877	1.676	1.458
Additions for the year	0	0	0	201	218
Share capital	1.877	1.877	1.877	1.877	1.676

Notes

7 Long term debt

	Debt at 1 January 2021	Debt at 31 December 2021	Instalment next year	Debt outstanding after 5 years
	TEUR	TEUR	TEUR	TEUR
Payables to shareholders	<u>11.943</u>	<u>11.798</u>	<u>0</u>	<u>0</u>
	<u>11.943</u>	<u>11.798</u>	<u>0</u>	<u>0</u>

Letter of subordination has been given by the owners of the company for their shareholders loan.