

# **FE II CIV K/S**

c/o Bech-Bruun  
Langelinie Allé 35  
2100 Copenhagen  
CVR no. 35 44 58 89

## **Annual report 2019**

Approved at the limited partnership's annual general meeting on

Chairman:

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Anders Michael Hauch

## Contents

<b>Statement by Management on the annual report</b>	<b>2</b>
<b>Independent auditor's report</b>	<b>3</b>
<b>Management' review</b>	<b>5</b>
Operating review	6
<b>Financial statements 1 January - 31 December 2019</b>	<b>7</b>
Income statement	7
Balance sheet	8
Notes	9

## Statement by Management on the annual report

Today, the Executive Board have discussed and approved the annual report of FE II CIV K/S for the financial year 1 January - 31 December 2019.

The annual report has been 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 limited partnership at 31 December 2019 and of the results of the limited partnership's operations for the financial year 1 January - 31 December 2019.

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.

Copenhagen, 29 June 2020  
General Partner:  
FE II GP ApS

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Søren Piilgaard Barkholt

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Erik Sejersen

## Independent auditor's report

To the general partner and limited partners of FE II CIV K/S

### Opinion

We have audited the financial statements of FE II CIV K/S for the financial year 1 January - 31 December 2019, which comprise income statement, balance sheet 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 limited partnership at 31 December 2019 and of the results of the limited partnership's operations for the financial year 1 January - 31 December 2019 in accordance with the Danish Financial Statements Act.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the 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 limited partnership in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

### 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 limited partnership'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 limited partnership 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 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 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,

## Independent auditor's report

- 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 limited partnership'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 limited partnership'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 limited partnership 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 Statements Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 29 June 2020  
ERNST & YOUNG  
Godkendt Revisionspartnerselskab  
CVR no. 30 70 02 28

Jens Thordahl Nøhr  
State Authorised  
Public Accountant  
mne32212

Kristian Bjerge  
State Authorised  
Public Accountant  
mne40740

## Management' review

### Details of the limited partnership

Name	FE II CIV K/S
Address	c/o Bech-Bruun Langelinie Allé 35 2100 Copenhagen
Registration no.	35 44 58 89
Date of establishment	15 December 2016
Registered office	Copenhagen, Denmark
Financial year	1 January - 31 December
General Partner	FE II GP ApS (from 28 June 2019, former General Partner: Frontier Energy Erhvervsdrivende Fond)
Auditor	Ernst & Young Godkendt Revisionspartnerselskab Dirch Passers Allé 36 Postboks 250 2000 Frederiksberg

## Management' review

### Operating review

#### Principal activities

The purpose of the limited partnership is to be a limited partner and investor in Frontier Energy II Alpha K/S and Frontier Energy II Beta K/S.

Frontier Energy II Alpha K/S and Frontier Energy II Beta K/S are two parallel private equity limited partnerships established in 2017, which make, develop and realise investments in renewable energy and energy efficiency assets in countries in Sub-Saharan Africa.

#### Financial review

In 2019, FE II CIV K/S realised negative results of USD 14,216 (2018: USD 14,515), which primarily are attributable to costs incurred.

During 2019, the limited partnership has made investments in portfolio companies totalling USD 689 (2018: USD 2,432).

At 31 December 2019, the equity amounted to a negative USD 3,705 (2018: negative USD 15,469). The limited partners' contributed capital amounted to USD 35,970 (2018: USD 9,990), compared to the total committed capital of USD 200,000.

The limited partnership will draw down capital from the limited partners in the coming years to provide liquidity for the operations of the limited partnership and to cover costs incurred and investments in portfolio companies.

#### Events after the balance sheet date

The outcome and potential impact on the limited partnership's investments due to the corona virus (COVID-19) outbreak in 2020 are uncertain as of the date of the approval of the annual report. The investment manager follows the situation closely.

No other events have occurred after the balance sheet date that may have a significant influence on the assessment of the annual report.

#### Outlook

It is expected that the limited partnership will make further investments in the portfolio companies in the coming years.

The future results of the limited partnership depend, in all material respects, on the development in the value of the limited partnership's investments in portfolio companies. The implications of the coronavirus outbreak are uncertain.

## Financial statements 1 January - 31 December 2019

### Income statement

Note	USD	2019	2018
2	<b>Value adjustment of investments in portfolio companies</b>	909	-1,069
	General partner fee	-7,505	-7,280
	Other external costs	-7,464	-5,569
	<b>Loss before net financials</b>	-14,060	-13,918
	Financial income	146	0
	Financial expenses	-302	-597
	<b>Loss for the year</b>	<b>-14,216</b>	<b>-14,515</b>

### Recommended appropriation of loss

Retained earnings/accumulated loss	-14,216	-14,515
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**Financial statements 1 January - 31 December 2019**

**Balance sheet**

Note	USD	2019	2018
<b>ASSETS</b>			
Non-current assets			
Financial assets			
2	Investments in portfolio companies	3,909	2,311
Cash at bank and in hand			
		10,711	0
Total non-current assets			
		14,620	2,311
<b>TOTAL ASSETS</b>			
		14,620	2,311
<b>EQUITY AND LIABILITIES</b>			
Equity			
Contributed capital			
		35,970	9,990
Retained earnings/accumulated loss			
		-39,675	-25,459
3	<b>Total equity</b>	<b>-3,705</b>	<b>-15,469</b>
Current liabilities			
Bank overdraft			
		0	21
Payables to the general partner			
4	Payables to portfolio companies	14,761	14,538
	Accrued expenses	177	0
		3,387	3,221
<b>Total current liabilities</b>			
		18,325	17,780
<b>Total liabilities</b>			
		18,325	17,780
<b>TOTAL EQUITY AND LIABILITIES</b>			
		14,620	2,311
1	Accounting policies		
5	Contractual obligations and contingencies, etc.		
6	Related parties		
7	Events after the reporting period		

## Financial statements 1 January - 31 December 2019

### Notes

#### 1 Accounting policies

FE II CIV K/S is a limited partnership and a commercial enterprise and therefore covered by Section 1 of the Danish Financial Statements Act.

The annual report of FE II CIV K/S for 2019 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities with the special adjustments made caused by the entity being a limited partnership.

To provide a true and fair view of the limited partnership's investments, the presentation of the income statement is adjusted compared to the disclosure requirements of the Danish Financial Statement Act. Value adjustment of investments in portfolio investments is presented as part of the primary operations.

#### Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rate at the transaction date and the rate at 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 closing rates. 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.

#### Functional and presentation currency

The limited partnership's majority of returns are USD related, the capital is raised in USD and the performance is evaluated in USD terms and the liquidity of the limited partnership is also managed in USD. Therefore, the limited partnership concludes that USD is its functional currency. The limited partnership's presentation currency is also USD.

### Income statement

#### Value adjustment of investments in portfolio companies

Realised and unrealised value adjustments of investments in portfolio companies are recognised in a separate item in the income statement.

#### Other external expenses

Other external expenses comprise expenses relating to administration, auditing, etc.

#### Financial income and expenses

Financial income and expenses comprise interest income and expense, fees and realised and unrealised gains and losses on foreign currencies (non-USD).

## Financial statements 1 January - 31 December 2019

### Notes

#### 1 Accounting policies (continued)

##### Tax for the year

The limited partnership is not an independent tax entity, and therefore tax is not recognised in the financial statements.

##### Balance sheet

###### Investments in portfolio companies

Investments in portfolio companies are measured at fair value.

Taken into consideration the values in the specific portfolio companies, fair value measurement is based on the limited partnerships share of the net assets in the portfolio companies. If a reliable fair value cannot be identified, the measurement will be based on cost price adjusted for impairment. When determining the fair value of the portfolio companies, agreements entered into, etc., are taken into account.

###### Receivables

Receivables are measured at nominal value with deduction of impairment to reflect expected losses.

###### Liabilities

Liabilities are measured at amortised cost.

## Financial statements 1 January - 31 December 2019

### Notes

#### 2 Investments in portfolio companies

USD

	2019
Cost at 1 January	3,640
Additions	689
Disposals	0
Cost at 31 December	4,329
Value adjustments at 1 January	-1,329
Value adjustments in the year	909
Value adjustments at 31 December	-420
<b>Carrying amount at 31 December</b>	<b>3,909</b>

#### Risks associated with measurement of investments in portfolio companies

As the portfolio companies are unlisted companies the valuation is associated with uncertainty. The recognised fair value of portfolio companies are based on audited financial statements of the underlying portfolio companies in which net assets are measured at either fair value or what would correspond to fair value according to agreements.

Due to the articles of association of the portfolio companies and their participation in special investment agreements, restrictions and liabilities may apply in relation to distribution of dividends etc.

Management has recognised the part of FE II CIV K/S' share of the portfolio companies' fair value that is assessed to pass on to FE II CIV K/S at the balance sheet date. This assessment is associated with a number of estimates and uncertainties.

#### 3 Statement of changes in equity and capital commitment

USD	Contributed capital			Retained earnings / accumulated losses	Total
	Commitment	Un-called	Commitment and called capital		
<b>Balance at 1 January</b>	200,000	-200,000	0	-10,944	-10,944
Paid through cash calls during the year	0	9,990	9,990	0	0
Loss for the year	0	0	0	-14,515	-14,515
<b>Equity at 31 December 2018</b>	200,000	-190,010	9,990	-25,459	-15,469
Paid through cash calls during the year	0	25,980	25,980	0	25,980
Loss for the year	0	0	0	-14,216	-14,216
<b>Equity at 31 December 2019</b>	200,000	-164,030	35,970	-39,675	-3,705

The limited partners are liable for their share of the uncalled capital commitment.

## Financial statements 1 January - 31 December 2019

### Notes

	2019	2018
<b>4 Payables to portfolio companies</b>		
Payable to Frontier Energy II Alpha K/S	159	0
Payable to Frontier Energy II Beta K/S	18	0
	<b>177</b>	<b>0</b>

### 5 Contractual obligations and contingencies, etc.

#### Contingent liabilities

As the portfolio companies have entered into certain investments agreements, the limited partnership is under certain conditions committed to contribute further capital to portfolio companies. At 31 December 2019, the total unpaid commitment amounted to USD 5,671 (2018: USD 6,360). The limited partnership expects to call capital from the limited partners as needed based on the ongoing investment activities.

The limited partnership is according to the limited partnership agreement obligated to pay an annual general partner fee calculated in accordance with the limited partnership agreement.

### 6 Related parties

No person or legal entity has dominant influence over the limited partnership.

The limited partnership pays an annual general partner fee to the general partner of the limited partnership. The general partner has sole power and responsibility for all decisions pertaining to the acquisition and realisation of investments, including all final decisions to commit the limited partnership to an investment and any realisation of an investment.

Until 28 June 2019, Frontier Energy Erhvervsdrivende Fond, was the general partner of the limited partnership. From 28 June 2019, FE II GP ApS was the general partner.

The general partner fee is calculated in accordance with the limited partnership agreement. The general partner fee for 2019 is disclosed in a separate line item in the income statement.

### 7 Events after the reporting period

The outcome and potential impact on the limited partnership's investments due to the coronavirus outbreak in 2020 is uncertain as of the date of the approval of the annual report. The Investment Manager follows the situation closely.

There are no other events after the reporting period to be disclosed.

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## Søren Pilgaard Barkholt

General Partner: FE II GP ApS

På vegne af: FE II CIV K/S

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IP: 62.199.xxx.xxx

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## Erik Sejersen

General Partner: FE II GP ApS

På vegne af: FE II CIV K/S

Serienummer: PID:9208-2002-2-774063329171

IP: 87.104.xxx.xxx

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## Jens Thordahl Noehr

Statsautoriseret revisor

På vegne af: Ernst & Young P/S

Serienummer: CVR:30700228-RID:1268040410146

IP: 2.4.xxx.xxx

2020-07-12 10:38:39Z

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## Kristian Bjerge

Statsautoriseret revisor

På vegne af: Ernst & Young P/S

Serienummer: CVR:30700228-RID:56464688

IP: 2.131.xxx.xxx

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## Navnet er skjult (CPR valideret)

Chairman

På vegne af: FE II CIV K/S

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