Vandel Sol ApS

Koldinghus Alle 1, Bregentved, DK-4690 Haslev

Annual Report for 1 January - 31 December 2021

CVR No 37 36 36 50

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 18/02 2022

Anders Dolmer
Chairman of the General Meeting

Contents

Management's Statement

The Executive Board has today considered and adopted the Annual Report of Vandel Sol ApS 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 financial position at 31 December 2021 of the Company and of the results of the Company operations for 2021.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Haslev, 18 February 2022

Executive Board

Jacob Simonsen   Anders Dolmer

Independent Auditor's Report

To the Shareholder of Vandel Sol ApS

Opinion
In our opinion, the Financial Statements give a true and fair view of the financial position of the Company 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.

We have audited the Financial Statements of Vandel Sol ApS for the financial year 1 January - 31 December 2021, 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 Financials 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.

Independent Auditor’s Report

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 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.

Ringsted, 18 February 2022
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Martin Langhoff Hansen	Nikolaj Frausing Borch
statsautoriseret revisor	statsautoriseret revisor
mne36027	mne44062

Company Information

The Company	Vandel Sol ApS Koldinghus Alle 1 Bregentved DK-4690 Haslev
	CVR No: 37 36 36 50 Financial period: 1 January - 31 December Municipality of reg. office: Haslev
Executive Board	Jacob Simonsen Anders Dolmer
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Eventyrvej 16 DK-4100 Ringsted

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 2021 shows a profit of TDKK 6,320, and at 31 December 2021 the balance sheet of the Company shows equity of TDKK 19,165.

Unusual events

The financial position at 31 December 2021 of the Company and the results of the activities of the Company for the financial year for 2021 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	2021 TDKK	2020 TDKK
Gross profit/loss		**17.671**	**19.132**
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-5.445	-8.038
Profit/loss before financial income and expenses		**12.226**	**11.094**
Financial income		0	277
Financial expenses	2	-4.234	-4.236
Profit/loss before tax		**7.992**	**7.135**
Tax on profit/loss for the year	3	-1.672	-1.530
Net profit/loss for the year		**6.320**	**5.605**

Distribution of profit

Proposed distribution of profit

Retained earnings	6.320	5.605
	6.320	**5.605**

Balance Sheet 31 December

Assets

	Note	2021	2020
		TDKK	TDKK
Plant and machinery		163.355	168.800
Property, plant and equipment	4	**163.355**	**168.800**
Fixed assets		**163.355**	**168.800**
Trade receivables		171	197
Other receivables		267	201
Deferred tax asset	7	0	1.243
Corporation tax receivable from group enterprises		273	0
Prepayments		34	0
Receivables		**745**	**1.641**
Cash at bank and in hand	5	**12.727**	**12.855**
Currents assets		**13.472**	**14.496**
Assets		**176.827**	**183.296**

Balance Sheet 31 December

Liabilities and equity

	Note	2021	2020
		TDKK	TDKK
Share capital	6	50	50
Reserve for hedging transactions		470	-1.196
Retained earnings		18.645	12.325
Equity		**19.165**	**11.179**
Provision for deferred tax	7	879	0
Other provisions		1.347	1.045
Provisions		**2.226**	**1.045**
Mortgage loans		98.581	110.531
Payables to group enterprises		35.138	36.724
Other payables		4.875	6.541
Long-term debt	8	**138.594**	**153.796**
Mortgage loans	8	11.908	11.869
Trade payables		246	152
Payables to group enterprises	8	4.688	3.577
Payables to group enterprises relating to corporation tax		0	1.678
Short-term debt		**16.842**	**17.276**
Debt		**155.436**	**171.072**
Liabilities and equity		**176.827**	**183.296**
Contingent assets, liabilities and other financial obligations	10		
Related parties	11		
Accounting Policies	12		

Statement of Changes in Equity

	Share capital	Reserve for hedging transactions	Retained earnings	Total
	TDKK	TDKK	TDKK	TDKK
Equity at 1 January	50	-1.196	12.325	11.179
Fair value adjustment of hedging instruments	0	1.666	0	1.666
Net profit/loss for the year	0	0	6.320	6.320
Equity at 31 December	**50**	**470**	**18.645**	**19.165**

Notes to the Financial Statements

		2021	2020
		TDKK	TDKK
1	**Staff expenses**		
	Average number of employees	**2**	**2**

2 Financial expenses

	2021	2020
Interest paid to group enterprises	1.774	1.856
Other financial expenses	2.161	2.380
Exchange loss	299	0
	4.234	**4.236**

3 Tax on profit/loss for the year

	2021	2020
Current tax for the year	-273	1.678
Deferred tax for the year	2.062	-148
Adjustment of tax concerning previous years	-117	0
	1.672	**1.530**

4 Property, plant and equipment

	Plant and machinery
	TDKK
Cost at 1 January	200.952
Cost at 31 December	200.952
Impairment losses and depreciation at 1 January	32.152
Depreciation for the year	5.445
Impairment losses and depreciation at 31 December	37.597
Carrying amount at 31 December	**163.355**
Depreciated over	35 years
Interest expenses recognised as part of cost	1.396

Notes to the Financial Statements

		2021	2020
		TDKK	TDKK
5	**Cash at bank and in hand**		
	Free cash	5.213	5.489
	Restricted cash	7.514	7.366
		12.727	**12.855**

6 Equity

The share capital consists of 50,000 shares of a nominal value of DKK 1. No shares carry any special rights.

7 Provision for deferred tax

Property, plant and equipment	1.008	-1.124
Amortization	-129	-119
Transferred to deferred tax asset	0	1.243
	879	**0**
Deferred tax asset		
Calculated tax asset	0	1.243
Carrying amount	**0**	**1.243**

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:

	2021	2020
	TDKK	TDKK
Mortgage loans		
After 5 years	50.503	62.615
Between 1 and 5 years	48.078	47.916
Long-term part	98.581	110.531
Within 1 year	11.908	11.869
	110.489	**122.400**

Notes to the Financial Statements

8 Long-term debt (continued)

	2021	2020
	TDKK	TDKK
Payables to group enterprises		
After 5 years	35.138	36.724
Long-term part	35.138	36.724
Other short-term debt to group enterprises	4.688	3.577
	39.826	**40.301**
Other payables		
After 5 years	4.875	6.541
Long-term part	4.875	6.541
Within 1 year	0	0
	4.875	**6.541**

Under payables to group enterprises, DKK 35.138 thousand is provided as subordinated loan capital.

9 Derivative financial instruments

The Company has entered into one interest rate swap and two cross currency rate swap contracts recognised as non-current other payables. The interest rate swap is recognised at a negative fair value of DKK 3.697 thousand and the two cross currency swaps are recognised at a negative fair value of DKK 1.178 thousand. The principal amount on all swaps is EUR 21.991 thousand equivalent to DKK 163.536 thousand. The Company swaps from a floating interest rate to a fixed interest rate of 2,3% on the interest rate swap. On the cross currency rate swaps the company swaps from fixed interest rates of 1,54-1,835% in DKK to fixed interest rates of 1,25-1,55% in EUR. The swaps will expire between the next 5-13 years.

	Value adjust-ment, income statement	Value adjust-ment, equity	Fair value at 31 December
	TDKK	TDKK	TDKK
Interest rate swap	0	1.277	-3.697
Cross currency swaps	0	389	-1.178

Notes to the Financial Statements

10 Contingent assets, liabilities and other financial obligations

Charges and security

As security for mortgage debt totalling DKK 115.364 thousand, the Company has granted charges totalling EUR 22.950 thousand equivalent to DKK 170.668 thousand on solarplants carried at DKK 163.355 thousand at 31 December 2021.

According to note 5 cash of DKK 7.514 thousand is placed as restricted cash.

Rental and lease obligations

The Company has entered into a landlease agreement with a duration until 2047. The landlease depends on the revenue so the total commitment cannot be measured reliaby but is estimated to be between DKK 400-500 thousand per year.

Additionally, the Company has an operation and maintenance agreement with a duration until at least 2035. The operation and maintenance agreement cost mainly depends on the revenue so the total commitment cannot be measured reliaby but is estimated to be between DKK 1.500-1.750 thousand per year.

Furthermore, two commercial and technical asset management agreements has been entered which cannot be terminated for at least 1 year. The remaining liability is DKK 280 thousand.

Other contingent liabilities

The 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 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.

Notes to the Financial Statements

11 Related parties

Ownership

The following shareholder is recorded in the Company's register of shareholders as holding at least 5% of the votes or at least 5% of the share capital:

Capviva Solarpark Vandel Holding ApS

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 Vandel Sol ApS for 2021 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 2021 are presented in TDKK.

Changes in accounting estimates

For 2021 Management has changed the depreciation period of the Company's solar plant from 25 years to 35 years, to better reflect actual expected useful lifetime of the asset. The effect of the change amounts to TDKK 2.593.

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.

Notes to the Financial Statements

12 Accounting Policies (continued)

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 retained earnings 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.

Notes to the Financial Statements

12 Accounting Policies (continued)

Income Statement

Revenue

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.

Costs related to sale of electricity

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/loss

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, other operating income, 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.

Notes to the Financial Statements

12 Accounting Policies (continued)

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 raised 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.

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.

Notes to the Financial Statements

12 Accounting Policies (continued)

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 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.

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.