NPP Brazil I K/S

Gyngemose Parkvej 50
2860 Søborg

CVR no. 38 45 60 67

Annual report for 2023

(7th Financial year)

Adopted at the annual general
meeting on 27 June 2024

Knud Erik Andersen
chairman

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Statement by management on the annual report

The Board of Directors and Executive Board have today discussed and approved the annual report of NPP Brazil I K/S for the financial year 1 January - 31 December 2023.

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 2023 and of the results of the company's operations for the financial year 1 January - 31 December 2023.

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 2024

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 NPP Brazil I K/S

Opinion

We have audited the financial statements of NPP Brazil I K/S for the financial year 1 January - 31 December 2023, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes. 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 2023 and of the results of the company's operations for the financial year 1 January - 31 December 2023 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 and IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to note 1 to the financial statements, stating that the Company realised a loss of TEUR 3.371 in the financial year ending 31 December 2023 and that the Company's liabilities at this date exceed its assets by TEUR 20.768. Together with other matters described in note 1, these matters indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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.

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.

Independent auditor's report

- 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.

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.

Independent auditor's report

Copenhagen, 27 June 2024

KPMG
Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98

Kenn Wolff Hansen
State Authorised Public Accountant
MNE no. mne30154

Company details

The company	NPP Brazil I K/S Gyngemose Parkvej 50 2860 Søborg
	CVR no.: 38 45 60 67
	Reporting period: 1 January - 31 December 2023 Incorporated: 1 March 2017
	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 projects in the northern states of Brazil.

Financial review

The company's income statement for the year ended 31 December 2023 shows a loss of TEUR 3.371, and the balance sheet at 31 December 2023 shows negative equity of TEUR 20.768.

The Company is unable to repay its debt without shareholder support or subordination. A letter of subordination has been given by the owners of the company and other related parties for loans and all other liabilities. On the basis of the debt repayment terms and the available cash, the management assesses the going concern basis satisfied at least until the approval of the 2024 annual report.

The capital structure will be discussed by the shareholders on the annual general meeting.

Financing

The Company´s investment is made in Solar plants in Brazil and the financial development of the Company is highly depending on the development in BRL, as well as in the Brazilian economy in general.

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 NPP Brazil I K/S for 2023 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B, 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 2023 is presented in TEUR.

Restatement of comparative figures due to error

The comparative figures for Payables to shareholders and Financial expenses has been restated due to correction of the interest calculation.

The correction has increased Payables to shareholders by TEUR 511 and increased Financial expenses, shareholders and other related parties by TEUR 511. This change affects opening equity in 2023, which has decreased by TEUR 511.

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 external costs

Other external cost include expenses related to administration, etc.

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, financial expenses relating to realised and unrealised capital/exchange gains and losses on securities and foreign currency transactions, amortisation of loans to shareholders and other loans.

Profit/loss from investments in associates

The proportionate share of the profit/loss for the year of associates is recognised in the company's income statement after full elimination of intra-group profits/losses.

Balance sheet

Investments in associates

Investments in associates 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.

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 dividend payment for the year is disclosed as a seperate item under equity.

Accounting policies

Liabilities

Liabilities, which include trade payables, payables to group entities and other payables, are measured at amortised cost, which is usually equivalent to nominal 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 items are translated at the exchange rates at the date of acquisition or at the date of subsequent revaluations of the asset. Income statement items are translated at the exchange rates at the transaction date, whereas items derived from non-monetary items are translated at historical exchange rates for the non-monetary item.

The Company determines a functional currency for each reporting entity. Reporting entities that are special purpose vehicles, established with the limited purpose to hold all activities related to a specific development project, are considered integrated entities in NPP Brazil I. Such special purpose vehicles have the same functional currency as NPP Brazil I. Where entities are not considered integrated entities in NPP Brazil I the functional currency is the currency used in the primary financial environment in which the individual reporting entity operates. Transactions in currencies other than the functional currency are foreign currency transactions. The functional currency of NPP Brazil I is Euro (EUR), and the financial statements are presented in Euro (EUR). On initial recognition, transactions denominated in foreign currencies are translated into the functional currency at the exchange rate at the transaction date. Foreign currency translation adjustments arising from the settlement of such transactions and the translation of monetary items denominated in foreign currencies at year-end exchange rates are recognised in profit or loss under finance income and finance costs.

Income statement 1 January - 31 December

	Note	2023 TEUR	2022 TEUR
Revenue		**0**	**0**
Other external cost		-90	-140
Gross profit		**-90**	**-140**
Proft/loss from investments in associates	3	1.210	854
Financial income		11	10
Financial expenses	4	-4.502	-4.255
Profit/loss for the year		**-3.371**	**-3.531**

Recommended appropriation of profit/loss

Retained earnings	-3.371	-3.531
	-3.371	**-3.531**

Balance sheet 31 December

	Note	2023	2022
		TEUR	TEUR
Assets			
Investments in associates	5	22.140	19.504
Fixed asset investments		**22.140**	**19.504**
Total non-current assets		**22.140**	**19.504**
Cash at bank and in hand		**306**	**16**
Total current assets		**306**	**16**
Total assets		**22.446**	**19.520**

Balance sheet 31 December

	Note	2023 TEUR	2022 TEUR
Equity and liabilities			
Share capital		4	4
Retained earnings		-20.772	-18.747
Equity	6	**-20.768**	**-18.743**
Payables to other related parties		1.947	2.091
Payables to shareholders		41.039	36.155
Total non-current liabilities	7	**42.986**	**38.246**
Trade payables		0	12
Payables to shareholders		225	0
Other payables		3	5
Total current liabilities		**228**	**17**
Total liabilities		**43.214**	**38.263**
Total equity and liabilities		**22.446**	**19.520**
Uncertainty about the continued operation (going concern)	1		
Staff costs	2		

Statement of changes in equity

	Share capital	Retained earnings	Total
Equity at 1 January	4	-18.236	-18.232
Net effect from adjustment of error	0	-511	-511
Adjusted equity at 1 January	4	-18.747	-18.743
Exchange adjustment, associated companies	0	1.346	1.346
Net profit/loss for the year	0	-3.371	-3.371
Equity at 31 December	**4**	**-20.772**	**-20.768**

Notes

1 Uncertainty about the continued operation (going concern)

The Company has realised a loss of TEUR 3.371 in the financial year ending 31 December 2023 and the liabilities at this date exceed the assets by TEUR 20.768. The Company is unable to repay its debt without shareholder support or subordination. A letter of subordination has been given by the owners of the company and other related parties for loans and all other liabilities. On the basis of the debt repayment terms and the available cash, the management assesses the going concern basis satisfied at least until the approval of the 2024 annual report.

The capital structure will be discussed by the shareholders on the annual general meeting.

	2023	2022
	TEUR	TEUR

2 Staff costs

Number of fulltime employees on average	0	0

3 Proft/loss from investments in associates

Share of result of associates	1.210	254
Revaluations of the year, net	0	600
	1.210	**854**

4 Financial expenses

Financial expenses, shareholders and other related parties	4.492	4.251
Exchange loss	10	4
	4.502	**4.255**

Notes

		2023	2022
		TEUR	TEUR
5	**Investments in associates**		
	Cost at 1 January	25.823	25.032
	Additions for the year	80	791
	Cost at 31 December	25.903	25.823
	Revaluations at 1 January	-6.319	-5.717
	Exchange adjustment	1.346	-1.456
	Net profit/loss for the year	1.210	254
	Revaluations for the year, net	0	600
	Revaluations at 31 December	-3.763	-6.319
	Carrying amount at 31 December	**22.140**	**19.504**

Investments in associates are specified as follows:

Name	Registered office	Ownership interest	Equity	Profit/loss for the year
Fundo de investimento em participacoes conjunto Coremas	Brazil	42,85%	51.665	2.712

6 Equity

The share capital consists of 30.000 shares of a nominal value of DKK 1. No shares carry any special rights.

There have been no changes in the share capital during the last 5 years.

Notes

7 Long term debt

	Debt at 1 January	Debt at 31 December	Instalment next year	Debt outstanding after 5 years
Payables to other related parties	2.091	1.947	0	0
Payables to shareholders	35.644	41.039	0	0
	37.735	**42.986**	**0**	**0**

Payables to the shareholders falls due six months after its activities in Brazil have been sold or latest 31 December 2025. The debt has been subordinated other debt, cf. note 1.