FP Lux REIO PV Denmark ApS

Gyngemose Parkvej 50
2860 Søborg

CVR no. 38 55 39 76

Annual report for 2019

(3th Financial year)

Adopted at the annual general
meeting on 31 March 2020

Thomas Staudinger
chairman

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Statement by management on the annual report

The executive board has today discussed and approved the annual report of FP Lux REIO PV Denmark ApS for the financial year 1 January - 31 December 2019.

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 2019 and of the results of the company's operations for the financial year 1 January - 31 December 2019.

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, 31 March 2020

Executive board

Anja Spannaus director	Thomas Staudinger director	Christian Gradel director

Independent auditor's report

To the shareholders of FP Lux REIO PV Denmark ApS

Opinion

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2019 and of the results of the company's operations for the financial year 1 January - 31 December 2019 in accordance with the Danish Financial Statements Act.

We have audited the financial statements of FP Lux REIO PV Denmark ApS for the financial year 1 January - 31 December 2019, which comprise income statement, balance sheet, statement of changes in equity, notes and summary of significant accounting policies ("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' 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.

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

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.

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 judgment and maintain professional skepticism 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.

Hellerup, 31 March 2020

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR no. 33 77 12 31

Flemming Eghoff statsaut. revisor MNE no. mne30221	Steffen Kaj Pedersen statsaut. revisor MNE no. mne34357

Company details

The company	FP Lux REIO PV Denmark ApS Gyngemose Parkvej 50 2860 Søborg
	CVR no.: 38 55 39 76
	Reporting period: 1 January - 31 December 2019 Incorporated: 5. April 2017
	Domicile: Gladsaxe
Executive board	Anja Spannaus, director Thomas Staudinger, director Christian Gradel, director
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 2900 Hellerup

Management's review

Business review

The Company's purpose is, directly or through equity investments in other companies affiliated with the energy industry, to develop, finance, operate and sell renewable energy.

The company operates eight PV parks in Denmark. The activities where performed in seperate companies until 10th of April where the companies were merged into the mother company.

Financial review

The company's income statement for the year ended 31 December 2019 shows a profit of TDKK 1.318, and the balance sheet at 31 December 2019 shows negative equity of TDKK 762. The negative equity is primarily related to a fair value adjustment of hedging instruments at year end.

The company expect an increasing profit for the next financial year.

Financing

The company´s assets and liabilities have been assessed with continued operations in mind. Management is aware that the Company has a capital loss and thus is covered by section 119 of the Companies Act.
At the Company's general meeting, a decision will be taken to re-establish this. The Company expects to re-establish its capital base through its own earnings.

Significant events occurring after the end of the financial year

After the end of the financial year, the society is generally affected by the Corona crisis. Currently, the company's activities are not affected by this event.

The company's operations depend on a number of conditions but going forward, if any unforeseen circumstances may arise, e.g. Government actions, this may have an impact on revenue and the company's profit as well as the financial position.

No other events have occurred since the end of the financial year that could materially affect the company's financial position.

Accounting policies

The annual report of FP Lux REIO PV Denmark ApS for 2019 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 are consistent with those of last year.

All subsidaries (100% owned) have been merged into the company as of 10th of April 2019. I.E. that the presentation of the investment have changed from an investment in subsidaries to a direct investment in the value of the assets and liabilities in the merged companies, as per 10th April 2019.

The method used for the merger is the book value method and therefore the results of the subsidaries for the period 1 January 2019 to 10 April 2019 have been recorded as profit from investments in subsidaries and the comparative figures are not readjusted.

The annual report for 2019 is presented in TDKK

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

Gross profit

In pursuance of section 32 of the Danish Financial Statements Act, the company does not disclose its revenue.

Gross profit reflects an aggregation of revenue, and other operating income less direct costs and other external expenses.

Revenue

Income from the sale of electricity is recognised in the income statement, provided that the transfer of risk, usually on delivery to the buyer, has taken place and that the income can be measured reliably and is expected to be received.

Revenue is measured at the fair value of the agreed consideration, excluding VAT and other indirect taxes. Revenue is net of all types of discounts granted.

Direct cost

Direct costs include cost, used in generating the year’s revenue.

Other external expenses

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

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise the year's amortisation, depreciation and impairment of property, plant and equipment.

Profit/loss from investments in subsidiaries

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

Accounting policies

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 foreign currency transactions, amortisation of mortgage loans etc.

Tax on profit/loss for the year

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

Balance sheet

Tangible assets

Tangible assets include solar plants. The Solar plant are recognized at cost, included in the development and construction phase.

The depreciable amount is cost less the expected residual value at the end of the useful life.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. The cost of self-constructed assets comprises direct and indirect costs of materials, components, sub-suppliers and wages.

Straight-line depreciation is provided on the basis of the following estimated useful lives of the assets:

	Useful life	
Solar plant	30	years

Investments in subsidiaries

Investments in subsidiaries are measured at the proportionate share of the net asset value of the entities, calculated on the basis of the group's accounting policies, less or plus unrealised intra-group gains or losses and plus or less any remaining value of positive or negative goodwill made up according to the purchase method.

Accounting policies

Investments in subsidiaries with a negative net asset value are measured at DKK 0, and the carrying amount of any receivables from these entities is reduced to the extent that they are considered irrecoverable. If the parent company has a legal or constructive obligation to cover a deficit that exceeds the receivable, the balance is recognised under provisions.

Net revaluations of investments in subsidiaries are taken to the net revaluation reserve according to the equity method to the extent that the carrying amount exceeds the cost. Dividends from subsidiaries which are expected to be declared before the annual report of FP Lux REIO PV Denmark ApS is adopted are not taken to the net revaluation reserve.

Impairment of fixed assets

The carrying amount of intangible assets, property, plant and equipment and investments in subsidiaries and associates is tested for impairment, other than what is reflected through normal amortisation and depreciation, on an annual basis.

Where there is evidence of impairment, an impairment test is performed for each individual asset or group of assets, respectively. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

Receivables

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable is impaired, an impairment loss for that individual asset is recognised.

Prepayments

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

Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term securities whose remaining life is less than three months and which are readily convertible into cash and which are subject only to insignificant risks of changes in value.

Accounting policies

Equity

Dividends

Proposed dividends are disclosed as a separate item under equity. Dividends are recognised as a liability when declared by the annual general meeting of shareholders.

Provisions

Provisions comprise expected expenses relating to dismantling and restoration of the solar plants etc. Provisions are recognised when, as a result of a past event, the company has a legal or constructive obligation and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Provisions are measured at the value in use.

The value of provisions related to dismantling and restoration of production plant is recognized in property, plant and equipment and are depreciated together with the relevant assets.

Income tax and deferred tax

Current tax liabilities and current tax receivables are recognised in the balance sheet as the estimated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account.

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively.

Liabilities

Mortgage debt is measured at amortised cost, which for cash loans corresponds to the outstanding debt.

Other liabilities, which include trade payables, payables to group entities and other payables, are measured at amortised cost, which is usually equivalent to nominal value.

Liabilities falling due after one year are presented as long term-liabilities.

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 transactions are considered cash flow hedges, the value adjustments are taken directly to 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.

Derivative financial instruments

On initial recognition in the balance sheet, derivative financial instruments are measured at cost and subsequently at fair value. Positive and negative fair values of derivative financial instruments are included in 'Other receivables' or 'Other payables', respectively.

Income statement 1 January - 31 December

	Note	2019	2018
		TDKK	TDKK
Gross profit		**21.309**	**-143**
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	3	-8.030	0
Profit/loss before net financials		**13.279**	**-143**
Result from investments in subsidiaries		-7.267	-2.566
Financial income	4	8.302	17.011
Financial costs	5	-12.632	-7.822
Profit/loss before tax		**1.682**	**6.480**
Tax on profit/loss for the year	6	-364	-957
Profit/loss for the year		**1.318**	**5.523**

Recommended appropriation of profit/loss

Reserve for net revaluation under the equity method		0	3.961
Retained earnings		1.318	1.562
		1.318	**5.523**

Balance sheet 31 December

	Note	2019	2018
		TDKK	TDKK
Assets			
Solar plant		336.898	0
Tangible assets	7	**336.898**	**0**
Investments in subsidiaries	8	0	4.017
Receivables from group entities		0	370.397
Fixed asset investments		**0**	**374.414**
Total non-current assets		**336.898**	**374.414**
Trade receivables		750	219
Other receivables		825	1.079
Deferred tax asset		2.072	911
Corporation tax		0	1.782
Prepayments		1	0
Receivables		**3.648**	**3.991**
Cash at bank and in hand		**23.462**	**21.935**
Total current assets		**27.110**	**25.926**
Total assets		**364.008**	**400.340**

Balance sheet 31 December

	Note	2019	2018
		TDKK	TDKK
Equity and liabilities			
Share capital		50	50
Reserve for net revaluation under the equity method		0	3.961
Retained earnings		-812	-685
Equity	9	**-762**	**3.326**
Other provisions	10	20.961	0
Total provisions		**20.961**	**0**
Bank loans		248.015	278.358
Shareholder loan		68.699	68.699
Other payables		9.072	2.142
Total non-current liabilities	11	**325.786**	**349.199**
Short-term part of long-term debt	11	17.373	13.003
Trade payables		580	71
Payables to subsidiaries		0	34.733
Other payables		70	8
Total current liabilities		**18.023**	**47.815**
Total liabilities		**343.809**	**397.014**
Total equity and liabilities		**364.008**	**400.340**

	Note
Uncertainty about the continued operation (going concern)	1
Mortgages and collateral	12

Statement of changes in equity

	Share capital	Reserve for net revalua-tion under the equity method	Retained earnings	Total
Equity at 1 January 2019	50	3.961	-685	3.326
Net effect from merger and acquisition under the uniting of interests method	0	-3.961	3.961	0
Adjusted equity at 1 January 2019	50	0	3.276	3.326
Fair value adjustment of hedging instruments	0	0	-6.931	-6.931
Net profit/loss for the year	0	0	1.318	1.318
Changes in equity of tax	0	0	1.525	1.525
Equity at 31 December 2019	**50**	**0**	**-812**	**-762**

Notes

1 Uncertainty about the continued operation (going concern)

The company's assets and liabilities have been assessed with continued operations in mind. The management is aware that the company has capital losses. The company expects to re-establish its capital base through its own earnings.

	2019	2018
	TDKK	TDKK
2 Staff costs		
Average number of employees	0	0

The Company has outsourced all its administrative and technical services. The Company's management does not receive salary or other remuneration.

3 Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		
Depreciation tangible assets	8.030	0
	8.030	**0**

4 Financial income		
Interest received from subsidiaries	8.262	17.539
Other financial income	1	15
Exchange gains	39	-543
	8.302	**17.011**

Notes

		2019	2018
		TDKK	TDKK
5	**Financial costs**		
	Financial expenses, group entities	763	3.714
	Interest expense to shareholders	5.156	0
	Other financial costs	6.443	3.506
	Exchange adjustments costs	270	602
		12.632	**7.822**

		2019	2018
6	**Tax on profit/loss for the year**		
	Current tax for the year	0	1.914
	Deferred tax for the year	370	-959
	Adjustment of deferred tax concerning previous year	-6	2
		364	**957**

		Solar plant
7	**Tangible assets**	
	Cost at 1 January 2019	0
	Transfers for the year	354.502
	Cost at 31 December 2019	354.502
	Impairment losses and depreciation at 1 January 2019	0
	Depreciation for the year	8.030
	Transfers for the year	9.574
	Impairment losses and depreciation at 31 December 2019	17.604
	Carrying amount at 31 December 2019	**336.898**

Notes

		2019	2018
		TDKK	TDKK
8	**Investments in subsidiaries**		
	Cost at 1 January 2019	57	8
	Additions for the year	0	49
	Disposals for the year	-57	0
	Cost at 31 December 2019	0	57
	Revaluations at 1 January 2019	3.960	0
	Disposals for the year, merger	3.307	0
	Net profit/loss for the year	-7.267	-2.566
	Equity investments with negative net asset value amortised over receivables	0	6.526
	Revaluations at 31 December 2019	0	3.960
	Carrying amount at 31 December 2019	**0**	**4.017**

All subsidaries have been merged into the company as of 10th of April 2019. The result included for 2019, is for the period from 1th January 2019 to the 10th April 2019, for the merged companies.

9 Equity

The share capital consists of50.000 shares of a nominal value of TDKK 1. No shares carry any special rights.

There have been no changes in the share capitalsince the establishment of the company.

Notes

	2019	2018
	TDKK	TDKK
10 Other provisions		
Provision in year	20.961	0
Balance at 31 December 2019	**20.961**	**0**

In the report there are recognized provisions for future costs for cleaning and dismantling of the solar plants, based on estimates.
Based on management's expectations for the maturity of the liability, these are recognized as non-current liabilities.

11 Long term debt

	Debt at 1 January 2019	Debt at 31 December 2019	Instalment next year	Debt outstanding after 5 years
Bank loans	291.361	265.388	17.373	192.029
Shareholder loan	68.699	68.699	0	68.699
Other payables	2.142	9.072	0	9.072
	362.202	**343.159**	**17.373**	**269.800**

12 Mortgages and collateral

As security for bank debts of 265,4 mio. DKK, the Company has provided security in its solar plants.

Cash in bank and in hand, TDKK 23.462 has been provided as security for the bank debt.