

# AIP Zion Holding K/S

**1 January – 31 December 2020**

Approved at the Company's general meeting, 16 April 2021

***Secretary***

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Klaus Risager

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## Company details

### Company

AIP Zion Holding K/S  
Rosenborggade 1B  
1130 Copenhagen  
CVR-nr.: 39 76 91 82  
Accounting period: 1 January – 31 December  
Registered in: Copenhagen

### Executive Board

Lasse Helstrup  
Kasper Hansen  
Jannick Prehn Brøndum

### Auditors

PricewaterhouseCoopers  
Statsautoriseret Revisionspartnerselskab  
Strandvejen 44  
2900 Hellerup

## Management review

### Principal activities

The principal activities of the Company in the period under review were to own shares of the US Company AIP Zion Holding (US) LP, which owns the solar parks Tranquility and Garland, which are located in California. The solar parks are owned through the companies:

- RE Cantua Holdings LLC (100%)
  - RE Floral Holdings LLC (100%)
    - RE Tranquility LLC (49%)
- RE Mojave Holdings LLC (100%)
  - RE Pelican Holdings LLC (100%)
    - RE Silverlake Holdings LLC (49%)
- AIP Zion Battery LLC (100%)
  - SP Solar Storage Development Holdings LLC (49%)

Furthermore, AIP Zion Holding K/S also owns the Company AIP Zion Holding (US) GP Inc., which is complementary to the Company AIP Zion Holding (US) LP.

### Development in activities and financial matters

The Company's Income Statement of the Financial year shows a result of USD 7.0M which is in line with the management's expectations.

### Principal risks and uncertainties

The management does not see any risks to the Company in connection with the ownership of the shares in AIP Zion Holding (US) LP project in addition to the commonly occurring risks within the Company industry.

### Changes to principal accounting policies

Reporting currency changed from DKK to USD.

### Subsequent Events

No subsequent events have occurred after the balance sheet date that required adjustment to or disclosure in the financial statements.

## Management's statement

The Executive Board has considered and approved the annual report of AIP Zion Holding K/S for the financial year 1 January – 31 December 2020.

The annual report is presented in accordance with the Danish Financial Statements Acts.

In our opinion, the financial statements give a true and fair view of assets, liabilities and financial position of the Company at 31 December 2020 and of the results of the Company's operations for 2020.

In our opinion, the Management review includes a true and fair account of the matter addressed in the review.

We recommend that the annual report be adopted at the Annual General Meeting.

Copenhagen, 16 April 2021

Executive Board:

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Lasse Helstrup

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Kasper Hansen

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Jannick Prehn Brøndum

## Independent auditor's report

To the Shareholders of AIP Zion Holding K/S

### Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2020, and of the results of the Company's operations for the financial year 1 January - 31 December 2020 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of AIP Zion Holding K/S for the financial year 1 January - 31 December 2020, which comprise income statement, balance sheet, statement of changes in equity and notes, including a 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, 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.

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.

## Annual report 2020

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.
- 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, 16 April 2021

### **PricewaterhouseCoopers**

Statsautoriseret Revisionspartnerselskab  
CVR-nr. 33 77 12 31

Per Rolf Larssen  
State Authorised Public Accountant  
Mne24822

**Income statement**

All amounts in USD

	Notes	<u>2020</u>	<u>2019</u>
<b>Gross loss</b>		<b>- 16,751</b>	<b>- 29,897</b>
Income from associated companies		7,030,000	9.747.011
Financial income		45	238
Financial expenses		- 600	-18
<b>Net profit</b>		<b><u>7,012,694</u></b>	<b><u>9,717,334</u></b>
<u>Proposed distribution of results:</u>			
Dividend		7,015,000	
Retained earnings		- 2,306	
		<b><u>7,012,694</u></b>	



**Balance sheet**

At 31 December (USD)

<b>Assets</b>	<b>Notes</b>	<b>2020</b>	<b>2019</b>
<b>Non-current assets</b>			
<b>Investment assets</b>			
Investments in associated companies	3	82,750,000	80,750,000
<b>Total investment assets</b>		<b>82,750,000</b>	<b>80,750,000</b>
<b>Total non-current assets</b>		<b>82,750,000</b>	<b>80,750,000</b>
<b>Current assets</b>			
Cash and Cash Equivalents		9,717	22,231
<b>Total current assets</b>		<b>9,717</b>	<b>22,231</b>
<b>Total assets</b>		<b>82,759,717</b>	<b>80,772,231</b>

**Balance sheet**

At 31 December (USD)

<b>Equity and liabilities</b>	<b>Notes</b>	<b>2020</b>	<b>2019</b>
<b>Equity</b>			
Share capital		82,750,000	80,750,000
Retained earnings		3,332	5,638
<b>Total equity</b>		<b>82,753,332</b>	<b>80,755,638</b>
<b>Current liabilities</b>			
Other liabilities		6,385	16,592
<b>Total current liabilities</b>		<b>6,385</b>	<b>16,592</b>
<b>Total equity and liabilities</b>		<b>82,759,717</b>	<b>80,772,231</b>
Principal accounting policies	1		
Employees	2		
Contingent liabilities	4		
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<b>Change in equity</b>	<b>Share capital</b>	<b>Suggested dividend</b>	<b>Retained earnings</b>	<b>Total</b>
Equity at 1 January	80,750,000	0	5,638	80,755,638
Proposed distribution of capital	0	7,015,000	- 2,306	7,012,694
Share capital addition	2,000,000	0	0	2,000,000
Distributed capital	0	- 7,015,000	0	- 7,015,000
<b>Equity at 31 December</b>	<b>82,750,000</b>	<b>0</b>	<b>3,332</b>	<b>82,753,332</b>

## Notes

### Note 1

#### Accounting policies

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of a few elements from reporting class C enterprises. Consolidated financial statements are not prepared in accordance with §110 of the Danish Financial Statements Act.

#### Changes to principal accounting policies

The currency used in the annual report has been changed from Danish Krone (DKK) to American Dollar (USD). The restatement of 2019 for comparison purpose result in overall changes to the Income statement and Balance Sheet due to the foreign exchange rate changes.

No other changes to the principal accounting policies are applied in 2020.

#### Presentation currency

The reporting currency is American Dollar. The exchange rate per 31 December of 605.76 (2019: 667.59) was used where translation from DKK to USD was needed.

#### Recognition and measurement

Revenue is recognized in the income statement as it is earned, including value adjustments of financial assets and liabilities measured at fair value or amortized costs.

In addition, expenses incurred to achieve the year's earnings are recognized, including depreciation, write-downs, provisions, and reversals as a result of changed accounting estimates of amounts previously recognized in the income statement.

Assets are recognized in the balance sheet when it is probable because of a prior event that future economic benefits will flow to the Company, and the value of the asset can be measured reliably. Liabilities are recognized in the balance sheet when the Company has a legal or constructive obligation because of a prior event, and it is probable that future economic benefits will flow out of the Company, and the value of the liabilities can be measured.

At initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each accounting item below.

Recognition and measurements consider the gains, losses and risks that arise before the annual report is presented and which corroborates or invalidates conditions that existed at the balance sheet date.

#### Foreign currency translation

Foreign currency transactions are translated at the exchange rate at the transaction date. Exchange rate differences arising between the exchange rate at the transaction date and the rate at the payment date are recognizes in the income statement as a financial item.

Receivables, payables and other monetary items in foreign currencies that have not been settled on the balance sheet date are translated at the exchange rate at the balance sheet date. The difference between the exchange rate at the balance sheet date and the exchange rate at the transaction date is recognized in the income statement as a financial item.

#### Income statement

##### Gross loss

Gross loss is calculated with reference to Section 32 of the Danish Financial Statements Act as a summary of other external costs.

##### Other external costs

Other external costs include costs for administration, etc.

**Income from associated companies**

Dividend income from associated companies is presented in the Profit and Loss statement in the year of which it was declared.

**Financial items**

Financial income and expenses include interest income and expenses, realized and unrealized gains and losses on debt and transactions in foreign currencies.

**Tax**

The Company is not taxable independently, which is why the tax liability is incumbent on the Company's investors. As a result, no tax and deferred tax has been set aside in the accounts.

**Balance sheet**

**Investments in associates**

Investments in associates are recognized and measured at cost. If there is an indication of a need for impairment, an impairment test is performed. Where the carrying amount exceeds the recoverable amount it is written down to this lower value.

**Cash and cash equivalents**

Cash comprises cash in bank deposits.

**Other liabilities**

Expenses with reference to the fiscal year are accrued for.

**Note 2**

**Employees**

Average number of full-time employees

<u>2020</u>	<u>2019</u>
<u>0</u>	<u>0</u>

**Note 3**

**Investments in associated companies**

Cost at 1 January  
Additions in year

Cost at 31 December

<u>2020</u>
80,750,000
<u>2,000,000</u>
82,750,000
<u><b>82,750,000</b></u>

**Total investments in associated companies**

The Company holds shares in the following Company:  
100% ownership of AIP Zion Holding (US) LP, located in USA.

**Note 4**

**Contingent liabilities**

The company has no contingent liabilities apart from the liabilities already recognized in the balance sheet.

**Note 5**

**Group and ownership relations**

All companies with more than 5% ownership are listed:

AIP Infrastructure I K/S, Rosenborggade 1B, 1130 Copenhagen, CVR 41 31 53 50.