



St. Jørgen Holding ApS

Nyropsgade 41, 4.
1602 Copenhagen
CVR No. 40445803

Annual report 2022

The Annual General Meeting adopted the
annual report on 13.06.2023

Johannus Gunnar Egholm Hansen
Chairman of the General Meeting

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Entity details

Entity

St. Jørgen Holding ApS

Nyropsgade 41, 4.

1602 Copenhagen

Business Registration No.: 40445803

Date of foundation: 11.04.2019

Registered office: Copenhagen

Financial year: 01.01.2022 - 31.12.2022

Board of Directors

Johannus Gunnar Egholm Hansen, Chairman

Rune Bro Roin

Michael Lind

Thomas Lund

Executive Board

Michael Lind

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 Copenhagen S

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of St. Jørgen Holding ApS for the financial year 01.01.2022 - 31.12.2022.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2022 and of the results of its operations for the financial year 01.01.2022 - 31.12.2022.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, 15.05.2023

Executive Board

Michael Lind

Board of Directors

Johannus Gunnar Egholm Hansen
Chairman

Rune Bro Roin

Michael Lind

Thomas Lund

Independent auditor's report

To the shareholders of St. Jørgen Holding ApS

Opinion

We have audited the financial statements of St. Jørgen Holding ApS for the financial year 01.01.2022 - 31.12.2022, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant 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 Entity's financial position at 31.12.2022 and of the results of its operations for the financial year 01.01.2022 - 31.12.2022 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 this auditor's report. We are independent of the Entity 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.

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 Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity 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 Entity'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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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 commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, 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 commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary 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 commentary.

Copenhagen, 15.05.2023

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Bjørn Winkler Jakobsen

State Authorised Public Accountant
Identification No (MNE) mne32127

Mads Haugegaard Albrechtsen

State Authorised Public Accountant
Identification No (MNE) mne45846

Management commentary

Primary activities

The company, which is a holding company, carries on its activities through its subsidiaries.

The company has two main business areas; investment in the development of renewable energy projects, and investment in real estate, including in property development projects.

Renewable energy

The company's strategic focus continues to be development of solar and combined solar and wind power plants (hybrid plants) of industrial scale in Denmark, but with the possibility of exploiting attractive project opportunities both in Denmark and outside Denmark, which fall outside the company's main focus area.

The company, which started its activities in the field of development of solar energy projects in 2021, entered into agreements with landowners in Denmark in the course of 2021 concerning the establishment of some of the largest solar energy plants in Europe, totaling around 1,100 ha of land.

The company continued its considerable activity and in 2022 increased its project pipeline for solar power plants in Denmark to more than 3 GW, mainly consisting of industrial scale projects. The contracted portfolio consists of approx. 2250 ha of land at the end of 2022. In addition the company has a significant pipeline pending final negotiations.

At the same time, the company has established a pipeline of onshore wind turbine projects, including re-powering of existing wind turbines, for around 300 MW. Further, the company has secured the right to establish energy storage on all projects.

The development of a larger capacity of solar and hybrid plants, which was in the past predominantly driven by the global climate agenda, was further accelerated in 2022 due to the changed geopolitical and energy policy situation in Europe, following Russia's invasion of Ukraine, where focus amongst EU member states has also been directed towards ensuring independence from Russian energy supply, amongst others by significantly increasing the production of renewable energy from solar power plants and wind turbines. The changed energy policy situation, and the Danish Government's clear indications as a result thereof of independence from Russian energy supply, have also led to an increased degree of acceptance amongst municipal authorities and amongst the general population of the need for the establishment of onshore solar energy plants.

The further development of the project pipeline, including local planning processes and grid connection processes, continues as planned, with expected final investment decision on some of the largest projects in the pipeline in 2025.

In parallel with the development of the company's project pipeline, the company has further expanded and strengthened the project development organization with the objective of ensuring that the company has the necessary critical resources in-house, while more specialized services are procured from external specialists.

Real estate

The company's second focus area is investment in real estate, including property development projects.

The company, which in 2021 acquired two major building sites in Denmark and the Faroe Islands respectively, did not invest further in real estate in 2022, partly as a result of the considerable turmoil in the financial markets, and partly due to increasing interest rates and prices on building materials.

The company continues the development of the property development projects that have been acquired.

Profit/loss for the year in relation to expected developments

As the company continues to only have project development activities, and thus has not yet started revenue-generating activities, the result in 2022 was a loss of 1.548 t.kr, against a loss of 305 t.kr last year, which is in line with expectations.

The company's activities are 100% equity-financed and the company therefore has no interest-bearing debt.

The company's total assets at the end of the year amounted to 18.890 t.kr. and the equity amounted to 18.113 t.kr.

The Board of Directors considers that with the continued high interest among landowners for the development of solar energy projects and hybrid projects, combined with the increased political focus on energy-independence from Russia, there is a prospect of further increasing the project pipeline in 2023.

In relation to the existing project pipeline, several of the projects are expected to make significant steps forward during 2023, both in terms of obtaining regulatory approvals and in terms of grid connection.

The company expects also in 2023 to be engaged in project development activities only, and an operating loss is therefore also expected for 2023.

Group relations

At the balance sheet date, the company had 5 shareholders, who are the company's original founders.

In connection with the capital increase in January 2023, the number of shareholders increased to a total of 44 shareholders. In addition to the original founders, these include employees, business relations and some of the landowners with whom the company has concluded land lease agreements.

Statutory report on distribution policy

The Board of Directors recommends that no dividend be paid for the financial year 2022.

Statutory report on corporate governance**Management**

The company is managed by a Board of Directors with 4 directors and an Executive Board of 1 member, with competences within project development, renewable energy, financing, law, recruitment and stakeholder management.

Risk management

General risk

St. Jørgen Holding's business involves several types of risk, including risks related to the general economic development in Denmark, as the company's focus is on developing renewable energy projects and real estate projects in Denmark. This exposes the Group to fluctuations in the Danish economy.

St. Jørgen Holding aims to adapt to market development and is continuously working to reduce the company's risks.

Project Development risks

St. Jørgen Holding's development of both renewable energy projects and real estate projects depends to a large extent on the achievement of the necessary regulatory approvals, including in particular the approval by municipal boards of planning for the intended projects.

St. Jørgen Holding works continuously on assessing the risks associated with each project, including risks that may affect the achievement of the necessary regulatory approvals. This is done, inter alia, by thorough screening of possible constraints related to the areas included in the projects, and by maintaining a close dialogue with the relevant authorities, and in particular an early and ongoing dialogue with neighbors to the projects and with other stakeholders that may be affected by the projects.

Furthermore, the realization of renewable energy projects depends to a very large extent on securing of grid connection.

St. Jørgen Holding normally initiates a dialogue with the grid system operator as early as possible in the project development phase in order to identify any challenges with the grid connection, and in order to ensure the most efficient grid connection process possible.

As a main rule, construction of projects will not be initiated unless the project has either secured or received strong indications that the project will get grid connection on feasible terms.

As a main rule, St. Jørgen Holding does not invest in real estate in connection with the development of renewable energy projects, except where neighbors are entitled under Danish Law to exercise the right to request the project company to acquire their property located in close proximity to the project.

In general St. Jørgen Holding will aspire to have a positive and constructive dialog with the neighbors to the projects and will normally offer voluntary agreements to compensate the owners or to purchase the residential properties of the affected neighbors, subject however to the individual projects obtaining the necessary regulatory approvals etc. for the realization of the project.

Financial risks

Through operations, investments and financing, St. Jørgen Holding may be affected by changes in market rates and interest rate levels. St. Jørgen Holding has established measures to properly manage the financial risks assumed by the Group.

Currency risks

St. Jørgen Holding carries out its activities in Denmark and the Faroe Islands and most of the expenses are denominated in Danish kroner.

Once the company commences construction of some of the company's projects, some of the cost of procurement of components and materials may be denominated in other currencies, such as Euro and US dollars. The company will, when considered necessary, take the necessary steps considered to appropriately protect the company against exchange rate risks.

Interest rate risk

St. Jørgen Holding has no interest-bearing debt. Changes in the level of interest rates thus do not directly affect the company's operations.

However, the general development of interest rates on the financial markets has an impact on the profitability of the company's projects. Therefore, St. Jørgen Holding continuously monitors the development of interest rates and makes ongoing assessments of the financial viability of the individual projects in order to be able to react in relation to possible increased exposure.

Once the company will initiate construction of its projects, the company will have to secure additional equity and debt financing. In this connection, the company will carefully consider interest rate risks related to the company's debt, including assessment of the need for loans with fixed-interest rates and hedging instruments in order to protect against interest-rate fluctuations.

Credit risk

St. Jørgen Holding does not have significant risks related to individual customers or partners.

St. Jørgen Holding continuously monitors liquidity tied with customers and partners.

St. Jørgen Holding places its free liquidity in well-managed Danish banks with a solid reputation.

Compliance

The company's compliance with current rules has a high priority, and we continuously invest in the recruitment and development of the necessary resources to ensure compliance.

Events after the balance sheet date

In January 2023 the company made a capital increase of DKK 23,5 million to finance the company's current activities.

No other events of significance to the annual report for 2022 have occurred.

Income statement for 2022

	Notes	2022 DKK	2021 DKK
Gross profit/loss		(407,599)	(294,621)
Staff costs	1	(1,376,752)	0
Depreciation, amortisation and impairment losses	2	(6,608)	0
Operating profit/loss		(1,790,959)	(294,621)
Other financial income	3	334,106	0
Other financial expenses	4	(91,597)	(5,966)
Profit/loss before tax		(1,548,450)	(300,587)
Tax on profit/loss for the year	5	0	(4,571)
Profit/loss for the year		(1,548,450)	(305,158)
Proposed distribution of profit and loss			
Retained earnings		(1,548,450)	(305,158)
Proposed distribution of profit and loss		(1,548,450)	(305,158)

Balance sheet at 31.12.2022

Assets

	Notes	2022 DKK	2021 DKK
Other fixtures and fittings, tools and equipment		389,861	0
Property, plant and equipment	6	389,861	0
Investments in group enterprises		2,650,000	2,650,000
Receivables from group enterprises		8,437,782	8,205,081
Deposits		1,148,063	0
Financial assets	7	12,235,845	10,855,081
Fixed assets		12,625,706	10,855,081
Other receivables		250,542	66,177
Income tax receivable		2,000	1,982
Contributed capital in arrears		3,000,000	2,800,000
Receivables		3,252,542	2,868,159
Cash		3,011,572	156,335
Current assets		6,264,114	3,024,494
Assets		18,889,820	13,879,575

Equity and liabilities

	Notes	2022 DKK	2021 DKK
Contributed capital		20,000,000	12,000,000
Unpaid contributed capital		3,000,000	2,800,000
Retained earnings		(4,886,593)	(3,138,143)
Equity		18,113,407	11,661,857
Trade payables		541,708	205,218
Payables to group enterprises		0	1,950,000
Other payables		234,705	62,500
Current liabilities other than provisions		776,413	2,217,718
Liabilities other than provisions		776,413	2,217,718
Equity and liabilities		18,889,820	13,879,575
Unrecognised rental and lease commitments	8		
Contingent liabilities	9		
Assets charged and collateral	10		

Statement of changes in equity for 2022

	Contributed capital DKK	Unpaid contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	12,000,000	2,800,000	(3,138,143)	11,661,857
Increase of capital	8,000,000	3,000,000	(3,000,000)	8,000,000
Share capital receivable, paid	0	(2,800,000)	0	(2,800,000)
Dissolution of reserves	0	0	2,800,000	2,800,000
Profit/loss for the year	0	0	(1,548,450)	(1,548,450)
Equity end of year	20,000,000	3,000,000	(4,886,593)	18,113,407

Notes

1 Staff costs

	2022 DKK	2021 DKK
Wages and salaries	1,371,640	0
Other social security costs	5,112	0
	1,376,752	0
Average number of full-time employees	2	0

2 Depreciation, amortisation and impairment losses

	2022 DKK	2021 DKK
Depreciation of property, plant and equipment	6,608	0
	6,608	0

3 Other financial income

	2022 DKK	2021 DKK
Financial income from group enterprises	334,106	0
	334,106	0

4 Other financial expenses

	2022 DKK	2021 DKK
Financial expenses from group enterprises	81,974	0
Other interest expenses	9,623	5,966
	91,597	5,966

5 Tax on profit/loss for the year

	2022 DKK	2021 DKK
Change in deferred tax	0	4,571
	0	4,571

6 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK
Additions	396,469
Cost end of year	396,469
Depreciation for the year	(6,608)
Depreciation and impairment losses end of year	(6,608)
Carrying amount end of year	389,861

7 Financial assets

	Investments in group enterprises DKK	Receivables from group enterprises DKK	Deposits DKK
Cost beginning of year	2,650,000	8,205,081	0
Additions	0	482,701	1,148,063
Cost end of year	2,650,000	8,687,782	1,148,063
Carrying amount end of year	2,650,000	8,687,782	1,148,063

Investments in subsidiaries	Registered in	Corporate form	Equity interest %
St. Jørgen Ejendomme A/S	Frederiksberg	A/S	100.00
St. Jørgen Energy A/S	Frederiksberg	A/S	100.00

8 Unrecognised rental and lease commitments

	2022 DKK	2021 DKK
Liabilities under rental or lease agreements until maturity in total	7,473,000	0

9 Contingent liabilities

The Company has issued letters of support to subsidiaries where the Company confirms that it will provide financial support with the purpose that the subsidiaries may continue as a going concern.

The Entity serves as the administration company in a Danish joint taxation arrangement. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc. for the jointly taxed entities, if any, relating to the withholding of tax on interest, royalties and dividend for these entities.

10 Assets charged and collateral

The Company guarantees for a limited period the fulfillment of obligations under incoming land lease agreements for use in developing solar energy projects in Denmark by subsidiaries (project development companies).

Accounting policies

Reporting class

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 provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year.

Consolidated financial statements

Referring to section 110 of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Income statement

Gross profit or loss

Gross profit or loss comprises other operating income and external expenses.

Revenue

Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including administrative and audit costs.

Staff costs

Staff costs comprise salaries and wages, and social security contributions, pension contributions, etc. for entity staff.

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, and gains and losses from the sale of intangible assets and property, plant and equipment.

Other financial income

Other financial income comprises interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets, and tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities, and tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Entity is jointly taxed with all Danish group enterprises. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet**Property, plant and equipment**

Land and buildings, plant and machinery, and other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

Interest expenses on loans for the financing of the manufacture of property, plant and equipment are included in cost if they relate to the manufacturing period. All other finance costs are recognised in the income statement.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

	Useful life
Other fixtures and fittings, tools and equipment	5 years

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Investments in group enterprises

Investments in group enterprises are measured at cost. Investments are written down to the lower of recoverable amount and carrying amount.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value, less writedowns for bad and doubtful debts.

Contributed capital in arrears

Contributed capital in arrears consists of capital subscribed, but not paid up, which is recognised as a separate amount receivable in assets and a separate reserve in equity (gross method). The amount receivable is measured at amortised cost.

Tax payable or receivable

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

Cash

Cash comprises cash in hand and bank deposits.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.