

Solar Park Kassø ApS

**Kassøvej 23, Sdr Ørnlev
6230 Rødekro**

CVR no. 41 12 54 11

**Annual report for the period
1 January to 31 December 2023
(4th Financial year)**

Adopted at the annual general
meeting on 17 June 2024

Vibeke Rohde
chairman

Table of contents

	Page
Statements	
Statement by management on the annual report	1
Independent auditor's report	2
Management's review	
Company details	5
Management's review	6
Financial statements	
Accounting policies	7
Income statement 1 January - 31 December	12
Balance sheet 31 December	13
Statement of changes in equity	15
Notes	16

Statement by management on the annual report

The Executive board has today discussed and approved the annual report of Solar Park Kassø ApS 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, 24 May 2024

Executive board

Rene Alcaraz Frederiksen
CEO

Toshikazu Yamazaki
director

Independent auditor's report

To the Shareholders of Solar Park Kassø ApS

Opinion

We have audited the financial statements of Solar Park Kassø ApS 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.

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.

Independent auditor's report

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

Independent auditor's report

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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.

Copenhagen, 24 May 2024

KPMG
Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98

Kenn Wolff Hansen
statsautoriseret revisor
MNE no. mne30154

Company details

The company

Solar Park Kassø ApS
Kassøvej 23, Sdr Ørnlev
6230 Rødekro

CVR no.: 41 12 54 11

Reporting period: 1 January - 31 December 2023

Incorporated: 24 January 2020

Domicile: Aabenraa

Executive board

Rene Alcaraz Frederiksen, CEO
Toshikazu Yamazaki, director

Auditors

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfærgevej 28
2100 København

Management's review

Business review

The purpose of the company is, directly or through ownership shares in other companies within the energy industry, to develop, finance, operate and sell renewable energy.

The company is operating a PV plant of approx. 300 MW and are currently constructing a PtX facility in Kassø, Aabenraa, Denmark.

The PV Plant has been fully operating since April 2023.

The construction of the PtX plant is still ongoing.

Financial review

The company's income statement for the year ended 31 December 2023 shows a profit of DKK 14.508.815, and the balance sheet at 31 December 2023 shows equity of DKK 338.934.847.

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 Solar Park Kassø ApS 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 DKK

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.

Income statement

Revenue

Income from the sale of power 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.

Other operating income

The item Other operating income includes subsidiary from authorities, relating to several projects within the PtX facility.

Accounting policies

Direct costs

Direct costs include cost used in generating the year's revenue

Other external expenses

Other external expenses include expenses related to administration etc.

Staff costs

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees.

Depreciation, amortisation and impairment of property, plant and equipment

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

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts that relate to the financial year. Net financials include interest income and expenses, realised and unrealised capital/exchange gains and losses on securities, liabilities and foreign currency transactions etc.

Tax on profit/loss for the year

The company is subject to the Danish rules on compulsory joint taxation of the Group's Danish subsidiaries.

On payment of joint taxation contributions, the current Danish income tax is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have been able to use tax losses to reduce their own taxable profits.

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.

Accounting policies

Balance sheet

Tangible assets

Solar farm and Property, plant and equipment in progress are measured at cost less accumulated depreciation and impairment losses.

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

Depreciation begins when the asset is ready for use.

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.

Interest expenses on loans obtained specifically for the purpose of financing the manufacturing of items of property, plant and equipment are included in cost over the manufacturing period. All indirect, attributable borrowing costs are recognised in the income statement.

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

	Useful life
Solar farms	30 years

The useful life and residual value are re-assessed annually. A change is accounted for as an accounting estimate, and the impact on amortisation/depreciation is recognised going forward.

Impairment of fixed assets

The carrying amount of items of property, plant and equipment is tested annually for impairment, other than what is reflected through normal amortisation and depreciation.

Where there is evidence of impairment, an impairment test is performed for each individual asset or group of assets. Write-down is made to the lower of the recoverable amount and the carrying amount.

The recoverable amount is the higher of the net present value and the value in use less expected costs to sell. The net present value is determined as the present value of the anticipated net cash flows from the use of the asset or group of assets and the anticipated net cash flows from the disposal of the asset or group of assets after the end of their useful life.

Accounting policies

Receivables

Receivables are measured at amortised cost.

Prepayments

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

Cash and cash equivalents

Cash and cash equivalents comprise cash and deposits at banks.

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.

The company and all its Danish group entities are taxed on a joint basis. The current income tax charge is allocated between the jointly taxed entities relative to their taxable income. Tax losses are allocated based on the full absorption method. The jointly taxed entities are eligible for the Danish Tax Prepayment Scheme.

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. Deferred tax is measured at net realisable value.

Provisions

The financial statements include a provision for future costs arising from demilitation costs and removal of the solar farm.

Debt

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

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 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.

Fixed assets acquired in foreign currencies are translated at the exchange rate at the transaction date.

Income statement 1 January - 31 December

	<u>Note</u>	<u>2023</u> DKK	<u>2022</u> DKK
Revenue		146.604.390	9.610.625
Other operating income	1	21.360.407	0
Direct costs		-17.861.261	-2.757.622
Other external expenses		-3.064.425	-445.988
Gross profit		147.039.111	6.407.015
Staff costs	2	-415.372	0
Profit/loss before amortisation/depreciation and impairment losses		146.623.739	6.407.015
Depreciation, amortisation and impairment of property, plant and equipment		-88.581.102	0
Profit/loss before net financials		58.042.637	6.407.015
Financial income	3	703.729	0
Financial costs	4	-40.145.532	0
Profit/loss before tax		18.600.834	6.407.015
Tax on profit/loss for the year	5	-4.092.019	-1.409.543
Profit/loss for the year		14.508.815	4.997.472

Distribution of profit

Retained earnings		14.508.815	4.997.472
		14.508.815	4.997.472

Balance sheet 31 December

	<u>Note</u>	<u>2023</u> DKK	<u>2022</u> DKK
Assets			
Solar Farm	6	1.049.294.928	0
Property, plant and equipment in progress	6	<u>687.776.126</u>	<u>1.241.653.408</u>
Tangible assets		<u>1.737.071.054</u>	<u>1.241.653.408</u>
Deposits	7	<u>24.823</u>	<u>0</u>
Fixed asset investments		<u>24.823</u>	<u>0</u>
Total non-current assets		<u>1.737.095.877</u>	<u>1.241.653.408</u>
Trade receivables		5.828.935	2.585.606
Other receivables		38.308.333	4.718.491
Prepayments		<u>3.522.954</u>	<u>382.484</u>
Receivables		<u>47.660.222</u>	<u>7.686.581</u>
Cash at bank and in hand		<u>39.323.132</u>	<u>4.838.283</u>
Total current assets		<u>86.983.354</u>	<u>12.524.864</u>
Total assets		<u>1.824.079.231</u>	<u>1.254.178.272</u>

Balance sheet 31 December

	<u>Note</u>	<u>2023</u> DKK	<u>2022</u> DKK
Equity and liabilities			
Share capital		100.000	100.000
Retained earnings		338.834.847	4.694.054
Equity	8	<u>338.934.847</u>	<u>4.794.054</u>
Provision for deferred tax		12.247.839	2.762.487
Other provisions	9	27.000.000	27.000.000
Total provisions		<u>39.247.839</u>	<u>29.762.487</u>
Banks		0	699.599.686
Payables to group entities		454.123.248	496.031.246
Total non-current liabilities	10	<u>454.123.248</u>	<u>1.195.630.932</u>
Banks	10	903.825.678	0
Trade payables		86.917.899	18.326.203
Other payables		1.029.720	5.664.596
Total current liabilities		<u>991.773.297</u>	<u>23.990.799</u>
Total liabilities		<u>1.445.896.545</u>	<u>1.219.621.731</u>
Total equity and liabilities		<u>1.824.079.231</u>	<u>1.254.178.272</u>
Contingent liabilities	11		
Related parties and ownership structure	12		

Statement of changes in equity

	Share capital	Retained earnings	Total
Equity at 1 January 2023	100.000	4.694.054	4.794.054
Net profit/loss for the year	0	14.508.815	14.508.815
Contribution from group	0	319.631.978	319.631.978
Equity at 31 December 2023	100.000	338.834.847	338.934.847

Notes

	<u>2023</u> DKK	<u>2022</u> DKK
1 Other operating income		
Estimated subsidy for projects	21.360.407	0
	<u>21.360.407</u>	<u>0</u>
	<u>2023</u> DKK	<u>2022</u> DKK
2 Staff costs		
Wages and salaries	407.139	0
Other social security costs	1.783	0
Other staff costs	6.450	0
	<u>415.372</u>	<u>0</u>
Number of fulltime employees on average	<u>2</u>	<u>0</u>
3 Financial income		
Financial income, group entities	0	3.205.634
Other financial income	112.573	0
Exchange gains	591.156	482.219
Financial income capitalized to fixed assets	0	-3.687.853
	<u>703.729</u>	<u>0</u>

Notes

4 Financial costs

Financial expenses, group entities	50.897.380	26.612.733
Other financial expenses	40.823.287	12.876.680
Exchange loss	1.455.195	952.250
Financial expenses capitalized to fixed assets	<u>-53.030.330</u>	<u>-40.441.663</u>
	<u>40.145.532</u>	<u>0</u>

5 Tax on profit/loss for the year

Deferred tax for the year	4.092.019	1.409.543
Adjustment of tax concerning previous years	-5.393.333	-1.035.546
Adjustment of deferred tax concerning previous years	<u>5.393.333</u>	<u>1.035.546</u>
	<u>4.092.019</u>	<u>1.409.543</u>

Notes

6 Tangible assets

	Solar Farm	Property, plant and equipment in progress
Cost at 1 January 2023	0	1.241.653.408
Additions for the year	0	583.998.748
Transfers for the year	1.075.507.618	-1.075.507.618
Cost at 31 December 2023	<u>1.075.507.618</u>	<u>750.144.538</u>
Depreciation, amortisation and impairment of property, plant and equipment	<u>26.212.690</u>	<u>62.368.412</u>
Impairment losses and depreciation at 31 December 2023	<u>26.212.690</u>	<u>62.368.412</u>
Carrying amount at 31 December 2023	<u><u>1.049.294.928</u></u>	<u><u>687.776.126</u></u>
Interest expenses for the year recognised as part of cost price	<u>0</u>	<u>53.030.330</u>

Notes

7 Fixed asset investments

	<u>Deposits</u>
Cost at 1 January 2023	0
Additions for the year	<u>24.823</u>
Cost at 31 December 2023	<u>24.823</u>
Carrying amount at 31 December 2023	<u><u>24.823</u></u>

8 Equity

The share capital consists of 100.000 shares of a nominal value of DKK 1. No shares carry any special rights.

	<u>2023</u>	<u>2022</u>
	DKK	DKK
9 Other provisions		
Balance at beginning of year at 1 January 2023	<u>27.000.000</u>	<u>27.000.000</u>
Balance at 31 December 2023	<u><u>27.000.000</u></u>	<u><u>27.000.000</u></u>

The provision relates to future costs arising from demilition costs and removal of the solar farm.

Notes

10 Non-current liabilities

	Debt at 1 January 2023	Debt at 31 December 2023	Instalment next year	Debt outstanding after 5 years
Banks	699.599.686	903.825.678	903.825.678	0
Payables to group entitites	496.031.246	454.123.248	0	0
	<u>1.195.630.932</u>	<u>1.357.948.926</u>	<u>903.825.678</u>	<u>0</u>

The Jyske Bank loan which is due within a year will most likely be refinanced in 2024 with extended due date. If external financing are not ensured, the owner of the company will provide financing.

11 Contingent liabilities

Collateral Security

As security for all outstanding debt towards Jyske Bank, amounting to TDKK 903.826, the Company pledged deposits in bank accounts with a value of TDKK 39.323 at the balance date.

Joint taxation

The company was jointly taxed with its parent company, KEA Holding III A/S (management company), and has limited and secondary liability together with other jointly taxed entities for payment of income taxes for income year 2020 until September 2023 as well as for payment of withholding taxes on dividends, interest and royalties.

After September 2023 the company has exited the joint taxation with KEA Holding III ApS, due to sale of 49% of parent company Kassø Midco ApS.

From September 2023 the company is in joint taxation with Kassø Midco ApS and has limited and secondary liability together with other jointly taxed entities for payment of income taxes as well as for payment of withholding taxes on dividends, interest and royalties.

12 Related parties and ownership structure

According to the company's register of shareholders, the following shareholder holds at least 5% of the votes or at least 5% of the share capital:

Kassø Midco ApS, Gyngemose Parkvej 50, 2860 Søborg.