

Solar Park Kassø ApS

**Gyngemose Parkvej 50, 10.
2860 Søborg**

CVR no. 41 12 54 11

**Annual report for the period
1 January to 31 December 2021
(2nd Financial year)**

Adopted at the annual general
meeting on 7 July 2022

Jan Paulsen
chairman

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Statement by management on the annual report

The executive board and board of directors have today discussed and approved the annual report of Solar Park Kassø ApS for the financial year 1 January - 31 December 2021.

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 2021 and of the results of the company's operations for the financial year 1 January - 31 December 2021.

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, 7 July 2022

Executive board

Knud Erik Andersen
Director

Board of directors

Knud Erik Andersen

Jens-Peter Zink

Mikael Dystrup Pedersen

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 2021, 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 2021 and of the results of the company's operations for the financial year 1 January - 31 December 2021 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. 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, 7 July 2022

KPMG
Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98

Martin Eiler
statsautoriseret revisor
MNE no. mne32271

Company details

The company

Solar Park Kassø ApS
Gyngemose Parkvej 50, 10.
2860 Søborg

CVR no.: 41 12 54 11

Reporting period: 1 January - 31 December 2021

Incorporated: 24 January 2020

Domicile: Gladsaxe

Board of directors

Knud Erik Andersen
Jens-Peter Zink
Mikael Dystrup Pedersen

Executive board

Knud Erik Andersen, 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 constructing a PV plant of approx. 300 MW in Kassø, Aabenraa, Denmark. The construction of the PV plant was completed in June 2022. More than half of the PV plant is grid connected and operating, where the remaining is expected to be operating in July 2022.

Financial review

The company's income statement for the year ended 31 December 2021 shows a loss of DKK 302.828, and the balance sheet at 31 December 2021 shows negative equity of DKK 203.418.

Financing

The Company has per 31. December 2021 lost more than half of the share capital. Management is aware of the Danish Company's Act and expect to re-establish the share capital through operation which will be discussed at the general meeting.

The Company's ability to continuously pay its creditors as they are due, are dependant of continuing financial support from the capital owners European Energy A/S and Dansk Erhvervsbørs A/S.

European Energy A/S has toward the Company confirmed continuing financial support, and to support the continuously operation and development with necessary capital and liquidity, as well as, if necessary, resign against the other creditors, at least until the approval of the annual report of 2022 by the General meeting.

The Management assesses, on this basis, that the Company's capital resource as being sufficient.

It is also expected that a long-term financing will be established during 2022.

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 2021 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 2021 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

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 other external expenses.

Other external expenses

Other external expenses include expenses related to administration etc.

Accounting policies

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts that relate to the financial year. Financial income and expenses includes interests & realized and unrealized exchange adjustments.

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. Subsidiaries participate in the joint taxation arrangement from the time when they are included in the consolidated financial statements and until the time when they withdraw from the consolidation.

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.

Balance sheet

Tangible assets

Items of plant and machinery and fixtures and fittings, tools and equipment 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.

Accounting policies

Impairment of fixed assets

The carrying amount of intangible assets, items of property, plant and equipment and investments in subsidiaries, associates and participating interests 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.

Receivables

Receivables are measured at amortised cost.

Cash and cash equivalents

Cash and cash equivalents comprise cash and deposits at banks.

Income tax and deferred tax

According to the joint taxation rules the groups supreme parent company, as the administrative company, takes over the liability for the Company's corporate taxes to the tax authorities, in linewith the payment of joint taxation contribution.

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.

Deferred tax assets, including the tax base of tax losses allowed for carry forward, are measured at the value to which the asset is expected to be realised, either as a set-off against tax on future income or as a set-off against deferred tax liabilities within the same legal tax entity. Any deferred net tax assets are measured at net realisable value.

Accounting policies

Liabilities

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

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses. If foreign currency instruments are considered cash flow hedges, any unrealised value adjustments are taken directly to a fair value reserve under 'Equity'.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

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>2021</u> DKK	<u>2020</u> DKK
Gross profit	1	-146.510	-756
Financial costs	2	-824	0
Profit/loss before tax		-147.334	-756
Tax on profit/loss for the year		-155.494	166
Profit/loss for the year		<u>-302.828</u>	<u>-590</u>

Distribution of profit

Retained earnings		-302.828	-590
		<u>-302.828</u>	<u>-590</u>

Balance sheet 31 December

	<u>Note</u>	<u>31/12/21</u> DKK	<u>31/12/20</u> DKK
Assets			
Property, plant and equipment in progress		544.612.659	3.016.270
Tangible assets	3	<u>544.612.659</u>	<u>3.016.270</u>
Total non-current assets		<u>544.612.659</u>	<u>3.016.270</u>
Other receivables		210.253	347.078
Deferred tax asset		0	166
Prepayments		62.764	0
Receivables		<u>273.017</u>	<u>347.244</u>
Cash at bank and in hand		<u>0</u>	<u>28.399</u>
Total current assets		<u>273.017</u>	<u>375.643</u>
Total assets		<u>544.885.676</u>	<u>3.391.913</u>

Balance sheet 31 December

	<u>Note</u>	<u>31/12/21</u> DKK	<u>31/12/20</u> DKK
Equity and liabilities			
Share capital		100.000	40.000
Retained earnings		<u>-303.418</u>	<u>-590</u>
Equity	4	<u>-203.418</u>	<u>39.410</u>
Provision for deferred tax		317.398	0
Other Provisions	5	<u>27.000.000</u>	<u>0</u>
Total provisions		<u>27.317.398</u>	<u>0</u>
Banks		105.037.516	0
Payables to group entities		<u>70.482.808</u>	<u>3.151.931</u>
Total non-current liabilities	6	<u>175.520.324</u>	<u>3.151.931</u>
Trade payables		960.513	200.572
Payables to group entities		<u>341.290.859</u>	<u>0</u>
Total current liabilities		<u>342.251.372</u>	<u>200.572</u>
Total liabilities		<u>517.771.696</u>	<u>3.352.503</u>
Total equity and liabilities		<u>544.885.676</u>	<u>3.391.913</u>
Uncertainty about the continued operation (going concern)	7		
Contingent liabilities	8		
Related parties and ownership structure	9		

Statement of changes in equity

	Share capital	Retained earnings	Total
	DKK	DKK	DKK
Equity at 1 January 2021	40.000	-590	39.410
Cash capital increase	60.000	0	60.000
Net profit/loss for the year	0	-302.828	-302.828
Equity at 31 December 2021	100.000	-303.418	-203.418

Notes

	<u>2021</u> DKK	<u>2020</u> DKK
1 Staff costs		
Average number of employees	<u>0</u>	<u>0</u>

The company has no employees besides the management. The company does not pay salary to the management.

2 Financial costs		
Financial expenses, group entities	3.515.851	1.230.663
Other financial expenses	1.328.875	90.475
Exchange loss	39.702	268.088
Financial expenses capitalized to fixed assets	<u>-4.883.604</u>	<u>-1.589.226</u>
	<u>824</u>	<u>0</u>

3 Tangible assets

	Property, plant and equipment in progress
	DKK
Cost at 1 January 2021	3.016.270
Additions for the year	<u>541.596.389</u>
Cost at 31 December 2021	<u>544.612.659</u>
Carrying amount at 31 December 2021	<u>544.612.659</u>
Interest expenses recognised as part of cost of assets	<u>4.797.563</u>

4 Equity

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

Notes

	31/12/21	31/12/20
	DKK	DKK
5 Other Provisions		
Provision for re-establishment	27.000.000	0
Balance at 31 December 2021	27.000.000	0

6 Non-current liabilities

	Debt at 1 January 2021	Debt at 31 December 2021	Instalment next year	Debt outstanding after 5 years
	DKK	DKK	DKK	DKK
Banks	0	105.037.516	0	0
Payables to group entitites	3.151.931	70.482.808	0	0
	3.151.931	175.520.324	0	0

7 Uncertainty about the continued operation (going concern)

The Company has per 31. December 2021 lost more than half of the share capital. Management is aware of the Danish Company's Act and expect to re-establish the share capital through operation which will be discussed at the general meeting.

The Company's ability to continuously pay its creditors as they are due, are dependant of continuing financial support from the capital owners European Energy A/S and Dansk Erhvervsbørs A/S.

European Energy A/S has toward the Company confirmed continuing financial support, and to support the continuously operation and development with necessary capital and liquidity, as well as, if necessary, resign against the other creditors, at least until the approval of the annual report of 2022 by the General meeting.

The Management assesses, on this basis, that the Company's capital resource as being sufficient.

It is also expected that a long-term financing will be established during 2022.

Notes

8 Contingent liabilities

Collateral Security

As security for all outstanding debt towards Jyske Bank, amounting to TDKK 105.038, the Company pledged deposits in bank accounts with a value of DKK 0 at the balance date.

Furthermore, the Company has provided guarantee towards associated company EE Construction DK ApS' outstanding towards Jyske Bank as part of the credit facility with the bank has been forwarded to EE Construction DK ApS for financing the construction of the solar park until invoicing towards Solar Park Kassø ApS has taken place. EE Construction DK ApS' outstanding with the bank in relation hereto amounts to DKK 0.

Joint taxation

The company is jointly taxed with its parent company, KEA Holding I 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 onwards as well as for payment of withholding taxes on dividends, interest and royalties.

9 Related parties and ownership structure

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

EE PV Holding ApS, Gyngemose Parkvej 50, 2860 Søborg

Dansk Erhvervsbørs A/S, Østergade 60, 7900 Nykøbing M

Consolidated financial statements

The company is reflected in the group report of the parent company European Energy A/S

The group report of European Energy A/S can be obtained at the following address:
www.europeanenergy.dk